

Eighth Series, Vol. XXXIX, No. 43

Friday, April 29, 1988  
Vaisakha 9, 1910 (Saka)

# LOK SABHA DEBATES

## (English Version)

**Tenth Session**  
**(Eighth Lok Sabha)**



सत्यमेव जयते

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## LOK SABHA DEBATES

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### LOK SABHA

[English]

Friday April 29, 1988/Vaisakha 9, 1910  
(Saka)

*The Lok Sabha met at Eleven of the Clock*

[MR. SPEAKER in the Chair]

[Translation]

KUMARI MAMATA BANERJEE:  
Please come.

SHRI C. MADHAV REDDI: What happened, Sir?

[English]

SHRI DINESH GOSWAMI: Be prepared for something.

[Translation]

MR. SPEAKER: You should ask Kumari Mamata what has happened.

[English]

PROF. MADHU DANDAVATE: She is the Chairperson of the Reception Committee.

[Translation]

MR. SPEAKER: Then may I thank her on behalf of you all.

### OBITUARY REFERENCE

MR. SPEAKER: Hon. Members, it is my sad duty to inform the House of the demise of one of our former colleagues, Shrimati Indira Kumari, who was a Member of the Seventh Lok Sabha from Aligarh Constituency of Uttar Pradesh.

A dedicated social worker, she was deeply interested in encouraging women to work and become economically self-dependant. She worked untiringly to liberate women, from illiteracy and social backwardness.

Shrimati Indira Kumari passed away at Allahabad on 22nd April 1988 at the age of 52 years.

We deeply mourn the loss of this friend and I am sure the House will join me in conveying our heart-felt condolences to the bereaved family.

The House may now stand in silence for a short while to pay our respects to the deceased.

The Members then stood in silence for a short while.

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### ORAL ANSWERS TO QUESTIONS

[English]

#### Completion Work on SYL Canal

\*877 SHRI M. RAGHUMA REDDY†:  
SHRI PRAKASH CHANDRA:

Will the Minister of WATER RESOURCES

be pleased to state:

(a) whether it has come to the notice of the Government that the completion work on the SYL Canal in Punjab territory had been delayed by another one year;

(b) if so, the reasons therefor;

(c) whether Government propose to take suitable steps so that the canal work may be completed as early as possible taking into consideration the drought conditions prevailing in Haryana and water demand of the capital; and

(d) if so, the details thereof?

THE MINISTER OF STATE IN THE MINISTRY OF WATER RESOURCES (SHRIMATI KRISHNA SAHI): (a) to (d). A Statement is given below.

#### STATEMENT

(a) to (d). Construction of some of the works on the SYL Canal project has got delayed because of a number of reasons such as farmers' agitation, unseasonal rains, staff problems in the State and Contractors' performance. Lately, in case of a work, namely, Sirsa Aqueduct, certain contractual problems have arisen and the work has come to a halt. The Government of Punjab had to issue order terminating the contract. The interim injunction from the District Court obtained by the contractor against the termination of the contract was got vacated by the Punjab Government on 30.3.1988, but the contractor went in appeal and obtained another interim stay on 8.4.1988. Except the Sirsa Aqueduct, most of the works on the SYL Canal project are likely to be substantially completed by June, 1988.

Efforts are being made by Government of Punjab to get the injunction vacated and

allot the work to another agency to enable completion of the work. Implementation of the project is being monitored by a high-level committee at the Centre to resolve bottlenecks and help in organising the necessary inputs. Some of the contractors whose performance was less than satisfactory have already been replaced. Additional allocation of cement has also been made for the project. The Government of Punjab have also constituted a High-Powered Committee under the Chief Secretary to expedite completion of the Canal.

SHRIM. RAGHUMA REDDY: The reply of the hon. Minister is most unsatisfactory. The Indo-Pak water treaty was entered into in 1955 by paying Rs. 110 crores as compensation to Pakistan by Indian Government. Since then it is pending. The Haryana portion was completed prior to 1980 at a cost of Rs. 28.3 crores.

After formation of Haryana in 1966, the Haryana portion of 91.6 KM canal was completed in 1980 at a cost of Rs. 28.3 crores. But the problem is with the Punjab portion.

The estimated cost in 1976 was Rs. 33 cores. In 1980, it was Rs. 45.87 crores. In 1987, it was Rs. 366 crores. I do not know what is the present estimate.

PROF. MADHU DANDAVATE: Are you replying to her question?

SHRI M. RAGHUMA REDDY: That is the situation. I do not know how and when the work is going to be completed because the people of Haryana voted for Lok Dal-B. That might be the reason they are not taking interest and they are not helping farmers of Haryana.

May I know from the hon. Minister how much loss is being incurred by farmers of Haryana since 1980 till today because of

non-supply of this water to the farming community? How are you going to reimburse this loss to the farming community? This shows the attitude towards the farmers of the Haryana Government. How are you going to reimburse it?

**THE MINISTER OF WATER RESOURCES (SHRI DINESH SINGH):** Mr. Speaker, Sir, as the hon. Member knows, the canal has not been delayed on account of any responsibility of the Central Government. An agreement was reached between the Governments of Haryana, Punjab and Rajasthan. Only in December 1981, it was decided to complete this canal. Since then, work has been undertaken by the Government of Punjab and the Haryana Government was supposed to pay its own share of this canal. But, looking into the difficulties that were being faced, the Central Government decided to fund the canal. It is one of the instances in which the cost will be borne by the Centre Government and not by the Government of Haryana. So, it is a question where the Central Government has been helping Haryana.

**SHRI M. RAGHUMA REDDY:** What is the loss being suffered by the farmers?

**SHRI DINESH SINGH:** That is a very difficult question which the hon. Member has put. We have a large number of projects which have been started in so many States and we do not know exactly when the State Government will be able to complete them. We cannot say as to what the loss to the farmers will be. If you have the canal, of course, you will have more water. If you do not have the canal, you will not have water. But it is very difficult for us to assess what the loss will be. This can be assessed best by the State Government and the State Government has to take the responsibility of implementing projects as quickly as possible. But, so far as the cost is concerned, the cost in November 1985 was assessed at Rs. 272

crores. This did not take into account all the bridges and things which have been also now included and the responsibility taken over by the Central Government. Our estimate now is that this will cost about Rs. 456 crores.

**SHRI M. RAGHUMA REDDY:** This canal has to irrigate over three lakh acres of land and by producing 50 megawatts of power to the State. There is a loss. The estimated loss to the farming community is more than Rs. 100 crores because of non-supply of water. Now, the present contractor has gone to the court and got an injunction. Will the hon. Minister consider to hand-over this work to an independent agency or will the Government take up on its own accord to complete this work.... (Interruptions) It is by the State Government. The Centre is funding. The State is now under the President's rule and the Governor is ruling the State. That is almost a Central Government. That is why, independently will the Government take up to complete the work as early as possible? Will the hon. Minister also consider in the similar line to take up the Telugu-Ganga Project by funding this from the Central Government fund in Andhra Pradesh also?

**SHRI DINESH SINGH:** So far as the construction of this canal is concerned, the construction of the canal is going on satisfactorily. Unless we run into any specific problem, it is likely that it would be ready by June this year. But, there are certain complications. There is this Sirsa aquaduct. The contractors who were building this have gone to the Court and they have taken injunction. We contested that and the injunction was vacated. They have got another injunction. So, we can take up that work only when the Court lifts this injunction. It is our estimate that as soon as the injunction is lifted and we are permitted, we should be able to complete this Sirsa work within 9 months to a year.



**SHRI M. RAGHUMA REDDY:** What about the Telugu-Ganga Project?

**SHRI DINESH SINGH:** The hon. Member knows that that has nothing to do with the SYL canal. I can give him all the details. But it would not be proper to link the two.

[Translation]

**SHRI DHARAM PAL SINGH MALIK:** Hon'ble Mr. Speaker Sir, the contractor who was to build the aquaduct on river Sirsa has obtained an interim stay order till 09.04.1988 from the Punjab and Haryana High Court. In your reply, nothing has been said as to what happened after that. The interim stay order was taken ex-parte.

[English]

That can be got vacated very easily with no time.

[Translation]

21 days have passed since 08.04.88 but no reference has been made to this in it. The second thing I want to know is that according to your reply, barring Sirsa aquaduct, the portion of SYL Canal located within Punjab will be more or less ready by June, 1988. I want to know whether the Government has fixed a target date for the completion of the remaining part of the canal because there is no problem with the portion other than the Sirsa Aquaduct? The Government must be having some information as to the date by which this canal will be ready. How much time will be taken in completing Sirsa Aquaduct in addition to that taken up by litigation?

**MR. SPEAKER:** He has already given the answer.

**SHRI DHARAM PAL SINGH MALIK:** Not to this effect, Sir,

**MR. SPEAKER:** He says something like 9 months to one year would be taken up.

**SHRI DHARAM PAL SINGH MALIK:** He said that a substantial portion would be ready in so many days. This is a vague reply, Will he please give an exact date of completion? The work has dragged on for the last 22 years now.

**MR. SPEAKER:** A reply has been given but please repeat it again.

**SHRIMATI KRISHNA SAHI:** As the hon. Minister said earlier that as soon as the injunction is lifted by the court, an approximate period of one year will be taken to complete the work. The Punjab Government is making every effort to get the stay order vacated. Time and again, a stay-order is obtained. First it was obtained on 25th April, then on 28th April and now on 4th May. Work can progress only after the hearing is completed.

**SHRI DHARAM PAL SINGH MALIK:** What is the guarantee that yet another stay order will not be sought again?

[English]

#### Indo-Soviet Cooperation in Respect of Construction of Dams and Canals

\*878 **SHRI G. S. BASAVARAJU†:**  
**SHRI V. KRISHNA RAO:**

Will the Minister of WATER RESOURCES be pleased to state:

(a) whether India and the Soviet Union have agreed to cooperate on construction of dams and canals using the technique of **targeted blasting** in India;

(b) if so, whether any agreement has been signed; and

(c) if so, the details of the agreement?

[English]

[Translation]

THE MINISTER OF STATE IN THE MINISTRY OF WATER RESOURCES (SHRIMATI KRISHNA SAHI): (a) Yes, Sir.

(b) and (c). No agreement on any specific project has been signed.

[English]

SHRI G.S. BASAVARAJU: The Minister has not given a proper answer to my question. In the Sixties the USSR had given technical assistance to India for construction of dam. Unfortunately, later on, such dams were not constructed by them. May I know from the hon. Minister when the USSR agreed to help India in construction of dams and canals and if so, what are the important dams and canals that have been undertaken under this and what kind of help and assistance is given by the USSR?

[Translation]

SHRI KRISHNA SAHI: Mr. Speaker, Sir, recently a long-term agreement on co-operation was signed between India and the U.S.S.R. Any agreement of the kind hon. Member wants to know has not been signed between the two countries. Of course, an agreement on co-operation has certainly been signed. Now Indian engineers are seeking information about new technology from their Russian counterparts. Sites for constructing a dam and a canal have been chosen on an experimental basis. If the experiment is successful, an agreement on construction of dams and canals will be considered. The agreement on cooperation was signed on 03.04.87 valid upto the year 2000. Under this agreement, the targetted blasting technique for the construction of dams and canals will be experimented upon.

SHRI G.S. BASAVARAJU: My second supplementary is whether it is a fact that the USSR has also agreed to give some technical assistance for drilling for drinking water purposes in rural areas in this country and if so, how many villages are included in different States in this country and when it is going to be taken up or whether the scheme is already being implemented.

[Translation]

SHRIMATI KRISHNA SAHI: Mr. Speaker, Sir, as I said, the blasting technique has been used at a fixed site in Himachal Pradesh. This has been done on an experimental basis and the same thing is being tried on a dam in Sikkim and a canal in Madhya Pradesh. The site of the latter is located in a rocky area but as I said earlier, on the feasibility of constructing this canal, in case of positive assessment, further action to prepare a draft contract for preparation of design documents and construction of canal will be taken up.

SHRI G.S. BASAVARAJU: My question was particularly about drinking water.

MR. SPEAKER: Next Question.

### Loans to SC/ST by Public Sector Banks in Gujarat

\*879: SHRI RANJITSINGH GAEKWAD: Will the Minister of FINANCE be pleased to state:

(a) the details of the credit extended by public sector banks to Scheduled Castes/ Scheduled Tribes under priority sector in Gujarat against the target fixed for the year 1985, 1986 and 1987;

(b) whether Government are aware that the tribal farmers and other Scheduled/

backward caste/tribe people face various difficulties in getting the loans sanctioned; and

(c) if so, the steps being taken by Government in this regard?

THE MINISTER OF STATE IN THE DEPARTMENT OF ECONOMIC AFFAIRS IN THE MINISTRY OF FINANCE (SHRI EDUARDO FALEIRO): (a) to (c). A Statement is given below.

### STATEMENT

(a) to (c). The Public sector Banks have been advised that under Differential Rate of Interest Scheme (DRI) at least 40 per cent of outstanding credit should be in favour of Scheduled Castes/Scheduled Tribes. In the State of Gujarat the share of SC/St in total DRI advances as at the end of June 1986, December 1985 and December 1984 was 66.6 percent, 66.3 percent and 69.2 per cent respectively. The banks have also been advised that under Integrated Rural Development Programme (IRDP) the number of SC/ST beneficiaries should not be less than 30 percent. As against this target, the achievements during financial years 1987-88 (upto February 1988), 1986-87 and 1985-86 were 41.5 percent, 36.6 percent and 37.5 percent respectively.

With a view to ensure that SC/ST do not have undue hardship in getting loans from banks, the Reserve bank of India has issued a number of instructions to Public Sector Banks which inter-alia provide for the following:-

- (i) Loan applications of SCs/STs should be considered sympathetically and expeditiously.
- (ii) In order to ensure that loan proposals from SC/ST applicants are not rejected without valid

reasons, banks have been advised that rejections of loan proposals from ST/ST should be at a higher level than that of a branch manager.

- (iii) Setting up a special cell at the Head Office for monitoring the flow of credit to SC/ST; periodical review to be made at Head Office level.

SHRI RANJIT SINGH GAEKWAD: Sir, In spite of showing impressive figures, the loan programme is still not implemented satisfactorily as it should be due to the banks not being closed-by-specially in the rural areas. Therefore, I would like to know from the Government whether there is a plan to employ camp officers to go to the remote areas so that the Scheduled Castes and Scheduled Tribes people can be approached and loans can be disbursed or be given more easily to them.

SHRI EDUARDO FALEIRO: I think, the Hon. Member wants to know whether we are going to set up branches in the rural areas.

SHRI RANJIT SINGH GAEKWAD: Camp Officers.

SHRI EDUARDO FALEIRO: We will set up branches in the rural areas and we will have camp officers and all these facilities. I appreciate the point raised by the Hon. Member that the schemes are very good but they must work on the ground. I myself will visit Gujarat and then we shall see by talking to the local Government as well as to the bankers as to what has got to be done in your State for this purpose.

SHRI RANJIT SINGH GAEKWAD: Gujarat State is a very well advanced State in all respects. But there is a very strong rumour that the only scheduled bank, the Bank of Baroda, which was established in

Baroda, which also has a sentimental value for the local people of that region, is being shifted to Maharashtra. I would like to know from the Government how is this move going to help the working of banks in that state where this is the only scheduled bank in the State.

SHRI EDUARDO FALEIRO: No such transfer of the headquarters of the Bank of Baroda outside the beautiful state of Gujarat is being contemplated at the moment.

[Translation]

SHRI RAMSWAROOP RAM: Mr. Speaker Sir, as has been discussed time and again in the House, the rural banks have become a den of corruption today. The degree of corruption which rural people are subjected to by these banks has no match elsewhere. It has been said that a special cell is to be set up in the Head Office to root out corruption rampant in rural banks. Through your good offices, may I know from the hon. Minister whether the Government is considering opening of vigilance cells in the lead banks established in every district for proper monitoring of the money given for providing benefits to people? Are such vigilance cells sought to be opened in every district?

[English]

SHRI EDUARDO FALEIRO: Sir, we hear lot of complaints regarding the corruption in banks now and then on the floor of the House. All I can say with great confidence, with absolute confidence, that **whenever any specific case comes to our notice we take the strongest action. I would request for the cooperation of Members also in this respect.** When I mentioned this the other day in reply to a similar question, I told the Hon. Member that when he was complaining against corruption, I request you to kindly and immediately after the Question Hour, come and

mention to me the specific case which he had in mind. But up till now, he has not come. My request to the Hon. Members is that apart from raising this question of corruption if they bring specific cases to my notice, I will take immediate action.

### Sick Textile Mills in Maharashtra

\*880. SHRI BALASAHEB VIKHE PATIL: Will the Minister of TEXTILES be pleased to state:

(a) the number of sick and closed textile mills in Maharashtra;

(b) the loss suffered by each mill till 31st March, 1988; and

(c) the measures taken to restart the closed and sick mills of Maharashtra?

THE MINISTER OF TEXTILES (SHRI RAM NIWAS MIRDHA): (a) to (c). A statement is given below:

### STATEMENT

(a) The number of closed cotton/ man-made fibre textile mills in Maharashtra as on 31.01.88 was 12. Of these 2 cases have been registered with the Board for industrial and financial Reconstruction (BIFR).

(b) The Union government do not maintain profit and loss accounts of mills in the private sector.

(c) The Government had constituted a **Nodal Agency** to examine sick textile mills in order to ascertain whether they are potentially viable or not. The Nodal Agency evolves and manages rehabilitation packages in respect of mills found to be viable. A Textile Modernisation Fund has also been created to meet the modernisation needs of weak but viable textile mills. A Board for Industrial and Financial Reconstruction has

also been established which considers the cases of textile mills which are referred to it under the Sick Industrial Companies Act, 1985. Non-viable mills may have to close down permanently.

**SHRI BALASAHEB VIKHE PATIL:** Mr. Speaker, Sir, if the reply given by the hon. Minister is not in conformity with the question put to him. I feel that his reply is not to the point. I asked the number of sick and closed mills. The number of closed mills has been given but not the number of sick mills. Could the hon. Minister kindly tell me the number of sick mills? Along with this, I also asked about the losses suffered. I agreed that the Government does not keep an account of privately-run mills. But the losses suffered by mills run by the N.T.C. and various States should have been told. But that too was evaded. About rehabilitation, the hon. Minister said that no work is being done. Will the hon. Minister kindly give a complete reply to the question? Last year, a study was conducted. During the budget discussion, the hon. Minister announced the formation of an Expert Committee. The fate of that committee is not known. Last year, 100 mills were taken up for study. Of these, the norms of 44 mills remains unchanged while the viability of the rest 56 is being prepared. How many of them are in Maharashtra, particularly in the city of Bombay? I can see that handlooms and powerlooms clothes are being exported in large quantities. In fact, 51% more than the target. This seems to indicate that the Government is least concerned about the closure of textile mills. I would like to know whether the Government's policy is aimed at completely doing away with cotton mills creating hardship for workers and farmers. I want to know the Government's policy in this matter. I would also like to have a complete reply to which an incomplete reply has been given by the hon. Minister.

[English]

**SHRI RAM NIWAS MIRDHA:** I have not

withheld any information from the hon. Member. What I have said in my answer is that 12 mills are closed and two cases have been registered with the Board of Industrial and Financial Reconstruction. The word 'sick' is very wide.

As regards (b) of the question which asks for the loss suffered by each mill till 31st March, 1988, I have said that the Union Government do not maintain profit and loss accounts of mills in the private sector. NTC mills I have not included because none of the NTC mills closed; they are running. Therefore, no figure has been added. There are three cooperative mills which are closed, I would like to inform the Hon. Member. The position is that some mills are closed and I have given the figures also. The Government has a scheme for modernisation of the textile industry.

In the 1985 Textile Policy, a textile modernisation fund was created in which it was contemplated that Rs.750 crores would be disbursed in the next five years and that fund is still going on.

I would like to give some figures as to how that fund has been working. Uptill now in this fund 200 applications have been received requesting for amounts of Rs.800 crores. Out of this, 102 applications have been sanctioned totalling Rs.481.10 crores. Assessed and disbursed amount is Rs.169.22 crores. Some cases have been rejected and some cases are still pending.

The idea is that only the viable and the potentially viable mills are assisted. So, the nodal agency which has been created to examine proposals for assistance under the textile modernisation fund are scrutinised by the financial institutions and only those mills, which in their opinion, are found viable or potentially viable are given a package of assistance so that they may modernise themselves and become viable in course of

time. So, to say that the fund is not being utilised fast is not correct because our intention is not to fritter away the funds as soon as possible; but to assist only those cases which are really deserving in the sense that in course of time they become viable.

**SHRI BALASAHEB VIKHE PATIL:** Out of the applications sanctioned what is the number in Maharashtra? Kindly also give the figure of losses of NTC mills because my question relates to both sick and closed mills. In part (c) you say non-viable mills may have to close down permanently.

[Translation]

Due to this, the workers, there are demanding that non-viable mills be nationalised, modernised and made viable. After that, attention should be paid to workers. What is the Government's policy in this matter? There is a lot of pressure on the Government from mill-owners who are asking permission to sell land within mill premises and give part of the proceeds as compensation to some workers. But I shall suggest to the hon. Minister that this land should be given over to workers instead of selling it. This land will be useful for setting up powerlooms for rehabilitation and self-employment of unemployed workers. Workers should be provided soft loans from the Government. This will not only satisfy the workers but also solve the Government's problem. The mill-owners should not be allowed to sell the land and make money.

[English]

**SHRI RAM NIWAS MIRDHA:** As far as Maharashtra is concerned Rs.101 crores have been sanctioned under the Textile Modernisation Fund and Rs.33.93 crores have been disbursed. As regards mills which are closed, the textile policy envisaged and created a fund for the rehabilitation of the workers who would be affected by the clo-

sure of mills. That Fund envisaged in addition to what the workers are entitled under the various statutory provisions, they will be given by the Central Government 75 percent of pay in the first year, 50 percent in the second year and 25 percent in the third year. There was one condition that the closure should be declared in a formal way. Since the textile policy declared rehabilitation fund for labour in 1985 no State Government permitted closure with the result that we could not avail of this Fund at all. Now we have liberalised the provisions of this labour rehabilitation fund in the sense that a closure may not be necessary but if a mill is under liquidation and liquidator has been appointed and assets vested in him the rehabilitation fund for labour will operate.

**SHRI SHARAD DIGHE:** Sir, part (c) of the question says: What measures are taken to re-start the closed mills in Maharashtra? A very general answer is given that there is nodal agency to examine sick and textile mills. IN Bombay six mills, namely, Bladury, Mukesh, Srinivas cotton mills, Modern, New Grat and Swan mills are closed. I would like to know specifically as far as these six mills are concerned what steps are taken by the Government to re-start them particularly in case of Srinivas cotton mills, Maharashtra Government has sent you a proposal that they would take over the mill. Only your sanction is necessary. No funds are necessary. Even then I am told that no sanction is being given by your Department. I would like to know the reasons for that and specific steps taken to start the other five closed mills in Bombay.

**SHRI RAM NIWAS MIRDHA:** It is not our policy to nationalise mills any further. The request from the Maharashtra Government has not been conceded because it ultimately meant that the Central Government should give them grant, assistance, etc. to run these mills. Gujarat Government did the same. They took lot of money and

they are also losing a lot every month in Gujarat. So, our policy is not to nationalise mills any further. As regards six mills in Bombay we have no policy programme except what I have said in my answer categorically. We have only one scheme which is in the Textile Modernisation Fund. If the mill is potentially viable, they can approach the nodal agency of the financial institutions, justify pumping of public funds in that mill and get whatever assistance they can. If they are not found viable, the Government cannot do anything in the matter.

**DR. DATTA SAMANT:** Sir, the Textile Modernisation Fund is used for Century Mills, Morarji, Reliance. It means those who are already healthy, they will be much fatter. After the textile policy, 1.6 lakh workers are jobless. My friend, Mr. Dighe has specifically mentioned about Bombay. The office of the Board for sick industrial units is not in Bombay. The Board has got powers to change the directors, to club the sick mill with the healthy unit and to stop further loans to a particular millowner who has committed frauds. I would like to know why all the provisions are not being implemented by the Board for these mills and for those mills which are going to be sick. The Government is not going to take over the mills. The millowners are going to close the mills. Lakhs of workers are dying. Why at least the existing provisions of changing the directors, clubbing sick mills with the healthy units of the employer, are not being implemented? What is the need for registration only two textile mills here? Why the Board for sick industrial units has not acted so far? I would also like to know whether the Government is going to use the powers with this Board to change these directors or whosoever has committed the frauds.

**SHRI RAM NIWAS MIRDHA:** Sir, the Board for Industrial and Financial Reconstruction has been created under the Sick Industrial Corporation Act of 1985. It lays

down in a very precise way when an undertaking would be registered, when its capital worth would be regulated to a certain extent. One has to compulsorily report to the Board. The Board is a quasi-judicial authority. *(Interruptions)*

Please wait and hear. If you don't want an answer, I sit down.

**MR.SPEAKER:** He never waits.

*(Interruptions)*

**MR.SPEAKER:** Dr.Datta Samant, that is your weakness. You always interrupt.

**DR.DATTA SAMANT:** What is happening on the site? I raised a specific question.

**MR.SPEAKER:** Dr.Datta Samant, let him first finish. Whether he comes to that point or not, let me listen. You don't interrupt him in-between. This is a very bad habit, you are always developing. Let him first finish.

**SHRI RAM NIWAS MIRDHA:** I am exactly referring hon. Member to the Act. Firstly, read the Act and tell us which clause of that Act is not being followed. It is a quasi-judicial authority, which comes into operation under very wide powers, including the one mentioned by the hon. Member.

So, the Board is very actively working. Many cases are pending before it. It consists of very competent people. It is a quasi-judicial authority with very wide powers. They are doing all that is necessary under the said Act.

**DR.DATTA SAMANT:** Lakhs of workers are dying. The Board has not used the powers.

**MR.SPEAKER:** If the Board does not use it, I cannot inject power into that.

DR.DATTA SAMANT: I am asking, why don't they use the powers of the Board.

MR.SPEAKER: Let them use or not.

SHRI SAIFUDDIN CHOWDHARY: Minister has to answer to that.

SHRI RAM NIWAS MIRDHA: I have clearly said, the Board is using.

DR.DATTA SAMANT: The powers are not used. Change the directors of the sick mills.

SHRI RAM NIWAS MIRDHA: Please sit down and listen. Don't go on repeating the same thing. If you want the meaningful dialogue in this House, for which the House is meant...

DR.DATTA SAMANT: The workers are dying, Sir. In protest I walk out.

11.34 hrs.

*(At this stage, Dr.Datta Samant left the House)*

PROF.MADHU DANDAVATE: Sir, I would like to know from the Minister whether it is a fact that India United Mills Dye-work Mill No. 6 in Bombay, which is a unit of the National Textile Corporation, is actually facing financial difficulties and it is likely to be closed down because five mills of the National Textile Corporation, which actually give the grey cloth for processing to this unit No. 6, have not cleared their arrears and they are not also giving adequate grey cloth for processing to this mill. And as a result of that, it is in a financially adverse condition.

If so, will the Government take necessary steps to ensure that at least arrears will be cleared, more quantum of grey cloth for processing will be given to mill No.6 and further financial assistance will be given so

that the mill No. 6 will not be closed down in Bombay?

SHRI RAM NIWAS MIRDHA: It is not possible to give the details of the particular mill that the hon. Member has said.

PROF.MADHU DANDAVATE: I have the exact Number also.

SHRI RAM NIWAS MIRDHA: I am coming to that. The hon. Member has raised this point before also. It is true that this unit as well as a number of units in the NTC are not getting enough funds for modernisation, for raw materials for quite some time and therefore, the type of difficulties which the hon. Member mentioned do arise from time to time. We will see that they are minimised to the extent possible and this unit and other units are given the work which is required.

PROF.MADHU DANDAVATE: I am satisfied. I am not walking out.

### Computerisation in Banks

\*881 SHRI BIMAL KANTI GHOSH†:

DR.V.VENKATESH:

Will the Minister of FINANCE be pleased to state:

(a) whether computerisation of banking operations has led to all round efficiency;

(b) if so, whether this system is proposed to be extended to the banks on a very selective and progressive basis;

(c) if so, the reasons therefor; and

(d) whether banks would derive many more benefits which manifest themselves in the economy as a whole?

THE MINISTER OF STATE, IN THE DEPARTMENT OF ECONOMIC AFFAIRS



IN THE MINISTRY OF FINANCE (SHRI EDUARDO FALEIRO): (a) to (d). A Statement is given below:

### STATEMENT

The programme of computerisation mechanisation in the Public Sector Banks is being implemented in a phased manner after taking into account the terms of settlements arrived at in 1983 and in 1987 between the Indian Banks Association and the major workmen unions. The programme taken is modest and selective and is being implemented in a manner involving no retrenchment of staff as a result of introduction of machines and computers.

Reserve Bank of India (RBI) has reported that computerisation/ mechanisation has helped to improve customer service, Clearing House Operations, housekeeping, management information, settlement of inter branch/ inter bank accounts, etc.

Mechanisation/ computerisation of banking operations would, in the long run, help to improve the over all productivity and economy of the system as a whole.

SHRI BIMAL KANTI GHOSH: I would like to know from the hon. Minister whether any surplus staff is there due to computerisation and if so, what will happen to these surplus staff?

SHRI EDUARDO FALEIRO: We are working this programme of computerisation in a modest manner, in a selective manner and implementing in a manner involving no retrenchment of staff as a result of these machines and computers.

SHRI SHANTARAM NAIK: In the matter of computerisation, the employees, at the beginning, had several reservations. Some of them still exist. I would like to know from the hon. Minister whether the Government

has studied the experience of the socialist countries in the matter of use of computers, specially for the interest of the employees class as such and also with respect to its very effective use in the socialist countries.

SHRI EDUARDO FALEIRO: We take the interest of the workers which is the major interest. The programme of computerisation and mechanisation in the public sector banks is being implemented in a phased manner, as I have said, after taking into account, the terms of settlement arrived at in 1983 and 1987 between the Indian Banks Association, that is, the IBA and the major workmen's unions. As far as the socialist countries are concerned about which the hon. Member would like to know, I would like to mention that most of the East European countries in the Socialist Bloc have already installed a large number of Computers in their various organisations. The banks in the East European countries are also reported to have installed computers. It is very interesting that even computers made in India are in demand in the East European countries. It is an irony and it is a sad state of affairs that our own people should object computerisation when socialist countries which have as much, if not more, interest of workers at heart want computerisation of their banks and want Indian computers. Now, sir, as far as China is concerned, it has placed large orders for computers with some of the American companies including IBM and WANG and some of the Chinese banks have also started introducing computers and machines. Therefore, there is expectation that computers will be introduced in the Chinese banks more and more and they are being introduced. It is surprising. The workers interests are not affect at all.

SHRI SURESH KURUP: They point out the example of socialist countries. It would have better if they followed the socialist countries in every respect. There is no unemployment. Right to work is included as a

Fundamental Right in their Constitutions.

MR. SPEAKER: We should not follow any body blindly.

(Interruptions)

SHRI SURESH KURUP: It might be correct that there may not be any retrenchment of the workers due to computerisation. I would like to know from the hon. Minister whether his Ministry has made any proper assessment of the actual reduction in job opportunities due to this computerisation in the banks.

SHRI EDUARDO FALEIRO: When the hon. Member mentions that we should follow the socialist countries, not merely in computerisation but in other respects also, perhaps, he has in mind that we must have a single party system in the country also. That is what they have in mind.

SHRI SURESH KURUP: The right to work is a fundamental right. (Interruptions)

SHRI EDUARDO FALEIRO: I will reiterate here on the floor of the House...

SHRI SURESH KURUP: You have a single leader system. (Interruptions)

SHRI EDUARDO FALEIRO: We are taking full interest of the working class and we ourselves represent the working class here, in fact, represent the people of India. They have reposed the trust in us and we shall not fail them.

#### **Insurance Scheme for Poor People Living in Huts**

\*882. SHRI AMARSINH RATHAWA:  
SHRI MOHAN BHAI PATEL:

Will the Minister of FINANCE be pleased to state:

(a) whether Government are aware that a large number of huts are destroyed due to fire and other natural calamities in all the metropolitan cities every year; and

(b) whether Government propose to introduce an insurance scheme for the poor people who are living in huts in the metropolitan cities; if so, the details thereof?

THE MINISTER OF STATE IN THE DEPARTMENT OF ECONOMIC AFFAIRS IN THE MINISTRY OF FINANCE (SHRI EDUARDO FALEIRO): (a) and (b). A statement is given below:

#### **STATEMENT**

It has been decided by Government to introduce a Hut Insurance Scheme in *rural areas* to provide fire insurance protection to families in rural areas whose total annual family income from all sources does not exceed Rs.4,800/-. In the event of loss due to fire, under this scheme, the insurance company will pay to the insured a sum not exceeding Rs.1,000/- for hut and a sum not exceeding Rs.500/- for belongings in the hut destroyed by fire. It has been decided to start the Schemes with effect from 1st May, 1983, and the Scheme will be operated by General Insurance Corporation of India and its four subsidiary companies. The entire premium cost in respect of this Scheme will be borne by the Government of India. Initially, the Scheme will be operated for a period of two years and it will be reviewed thereafter. The question of extending the Scheme to metropolitan cities can be considered only after reviewing performance of the Scheme in rural areas and after assessing the experience gained under this Scheme over a period of two years.

[ Translation ]

SHRI AMARSINH RATHAWA:  
Mr. Speaker Sir, I want to thank the Govern-

ment for starting an Insurance Scheme for the persons living in huts. This is the first scheme of its kind which will surely benefit a large number of people living in rural areas. The compensation fixed under the Scheme is very meagre considering the present day inflation. I would like the amount of Rs.1000/- increased to Rs.2500/- and Rs.500/- to Rs.1500/- Will the hon.d Minister think of it.

[English]

SHRI EDUARDO FALEIRO: Sir, this scheme is yet to come into operation, which will come in operation only on the 1st of May. From then onwards it will be there for 2 years on an experimental stage. We shall consider all the suggestions made by the Member and other Members. However, one thing you may keep in mind that the resources of the country are limited and, therefore, we cannot give that much of compensation as perhaps we would like to give and the Members would like us to give. However, we shall consider this as the scheme progresses.

SHRI K.S.RAO: I am happy that the Minister has started at atleast today a Hut Insurance Scheme. (*Interruptions*)

But he said that this will be applicable only to the families whose total annual income limit is Rs.4,800, i.e. about Rs.400 per month. Even the workers working in some of the organised sectors are getting more than Rs.4,800 and obviously it means that they will not come under this Scheme. So, I wish to know from the Hon. Minister that when there is no such limit in regard to the traders, businessmen whose property is lost in fire or any such incident, why should there be a limit for the hut dwellers and why should they be deprived of their opportunity to get the compensation? I request the Hon.Minister not to put a limit on their income though he can put a limit on the money to be paid.

SHRI EDUARDO FALEIRO: Sir, in this scheme, there is no premium to be paid by

the hut dwellers. The entire premium is borne by the Government of India. It is an absolute grant and this grant goes to the poorest of the poor, particularly in the rural areas. The question of organised sector hardly arises. Therefore, the example given of the organised sector in industrial areas does not apply to the rural areas. This is the reason why the limit has been put, i.e. in view of the limited resources of the States and in view of the need to help the poorest among the poor.

SHRI SRIBALLAV PANIGRAHI: This is a good scheme and I welcome it. As in the case of crop insurance scheme, here also there is a lot of delay for the payment of money to the cultivators, with the result the cultivators suffer a lot.

This scheme covers the poorest of the poor. So, will there be any time limit within which the compensation due to the poor man, whose hut was set ablaze, will be paid?

SHRI EDUARDO FALEIRO: I agree with the hon. Member that in the case of the poorest of the poor and also in view of the fact that the sum is quite small, there should not be any delay. It should be expedited. At this point of time, we have not fixed any time limit. But I will issue instructions that this matter should be expedited and the procedure should be simplified.

SHRI SRIBALLAV PANIGRAHI: You see to it that the procedure is followed and the payment is made expeditiously.

SHRI EDUARDO FALEIRO: Yes.

#### **All Women Managed Nationalised Banks**

\*883. SHRI V.S.KRISHNA IYER: Will the Minister of FINANCE be pleased to state:

(a) the total number of all women man-

aged nationalised banks' in the country;

(b) whether these banks are functioning well;

(c) the number of such banks proposed to be opened during the current year; and

(d) whether Government are aware that in these "all women managed nationalised banks" promotional opportunities are not provided beyond Deputy Manager?

THE MINISTER OF STATE IN THE DEPARTMENT OF ECONOMIC AFFAIRS IN THE MINISTRY OF FINANCE (SHRI EDUARDO FALEIRO): (a) to (d). A statement is given below:

#### STATEMENT

(a) and (b). There are no 'all-women managed nationalised banks' in the country. However, there are reported to be 25 'all-women' branches and 7 extension counters of nationalised banks which are manned by women. These branches/ counters are reported to be functioning well.

(c) The initiative in this regard rests mainly with the banks.

(d) Women employees have equal opportunities for promotion in terms of the Promotion Policy of the banks.

SHRI V.S.KRISHNA IYER: What is the object of opening all-women bank branches in our country by the nationalised banks? You say that they are functioning well. In that case, why not open more such branches in the country?

SHRI EDUARDO FALEIRO: We cannot have all the branches managed by women only. The hon. Member should not forget that there are men also. I will not forget that there are men also. So men should also

work in some banks. I must congratulate the hon. Member for introducing this scheme in his state. This scheme of all women bank branches was first introduced by the Syndicate Bank, which is from Karnataka. At the senior-most level, i.e. at the General Manager's level, a woman is working in the Canara Bank, which is also from Karnataka. So, Karnataka has been on the forefront and I congratulate them.

SHRI V.S.KRISHNA IYER: As the hon. Minister has said, there are a few branches of banks not only under the auspices of the nationalised banks but also in the cooperative sector. These branches are functioning very well. Not just well, but very well, I should say. I know this because these banks are functioning in my constituency also. In particular, these banks have been able to help many lady entrepreneurs to start industries. They have been able to rehabilitate many destitute women and they have also been able to help many unemployed women. When they are doing such a good job, should not the Government think it necessary to open more such branches? As we all know, illiteracy among women is as high as 65 percent to 75 percent. They feel shy to go to the banks managed by men only. Therefore, I request the hon. Minister to open more women-managed banks in the rural areas so that more and more women can avail of the benefits of the banks. Will the hon. Minister consider this?

SHRI EDUARDO FALEIRO: The banks managed by women are, no doubt running very well. Undoubtedly, women are at least as competent as men in doing any particular work. I believe in that. However, it is not always possible to have this approach as a matter of principle and make strong rules and issue directives. In the very State of the hon. member himself, we have had some problems in getting ladies to work at the managerial level in some of the banks because of some problem or the other. Any-

way, we will take this suggestion into consideration.

**Memorandum from Workers of Mysore Mills and Minerva Mills in Karnataka**

\*886. SHRI SURESH KURUP: Will the Minister of TEXTILES be pleased to state:

(a) whether Union government have received a memorandum dated 9th December, 1987 from Mysore Mills Hathi Girni Karmikara Sangha and Minerva Mills Hathi Girni Karmikara Sangha Bangalore; and

(b) if so, the details thereof?

THE MINISTER OF TEXTILES (SHRI RAM NIWAS MIRDHA): (a) Yes, Sir.

(b) The memorandum relates to various aspects of the functioning of Mysore Mills and Minerva Mills, Bangalore. These include revision of workload norms, implementation of schemes relating to workers participation in management, closure of certain activities and installation of new machines.

SHRI SURESH KURUP: Sir, in both the Mysore Spinning Mills and the Minerva Mills, Bangalore the industrial relations are severely strained for the past three years. Workers' complaint is that none of the provisions of the long term agreement entered into by the management and the workers' union in 1985, has not been properly implemented, and their viewpoint is not taken into consideration in the modernisation schemes. I would like to know from the Minister whether he has inquired into this and the other aspects mentioned in the memorandum. What action does he propose to take in this regard?

SHRI RAM NIWAS MIRDHA: It is true that we have received a memorandum in this respect from certain unions working in these mills. It is not correct to say that the industrial

relations in these two mills are very bad. The problem is that there are fourteen and odd unions in these mills and due to this, some problems with regard to industrial relations do arise. The three-year long term settlement which was entered into in 1985 has been implemented properly. The term of that agreement is now over, We are in touch with the unions and we are negotiation with them for a new settlement. I can assure the hon.member through you that we will see that a satisfactory arrangement is arrived at and a new agreement is also ready very soon and the points raised by the memorandum regarding modernisation, installing Russian looms, etc. can also be considered. We want to strengthen the machinery for participation of labour in the management in these mills as in other NTC mills. But the problem arises as to which union should be dealt with. If there is a consensus amount the unions about the representatives to be put in the joint management machinery, we would be very happy to do so. I also take this opportunity and request the hon.member to us his good offices to see that some consensus emerges regarding the representatives of the workers so that we can activate the joint consultative and joint management machinery, which we are very keen to implement in these mills as well as in other NTC mills.

SHRI SURESH KURUP: Minerva management does not recognise the majority union. Before the next long term agreement is discussed and finalised, will the Minister give proper instructions to the management to ascertain the major union through secret ballot. Also there was a complaint that no action had been taken against an officer who fired at the workers were suspended and criminal cases were registered against them and subsistence allowance at the rate stipulated by the Government of India not paid to them. Will the Minister look into these charges and take proper action?

SHRI RAM NIWAS MIRDHA: I have

already tried to ascertain the real position regarding the subsistence allowance. I am told that it is being paid according to the rules. Action against the officers concerned is also being taken.

As regards the representative union, the management had moved the Labour Department of find out who would be representative union or majority union or whatever it is. The management is in touch with the Labour Department and I hope some good results would emerge.

SHRI V. SREENIVASA PRASAD: Mr. Speaker, Sir, I would like to know from the hon. Minister whether the Government had received any memorandum from the workers of Krishan Rajendra Mill, Mysore which had been closed for the last ten years for its take over by the National Textiles Corporation?

I would also like to know whether the Government of Karnataka had sent any proposal or you have received any proposal for the take over of sick units, like the Krishna Rajendra Mill, Mysore.

SHRI RAM NIWAS MIRDHA: I had notice on this because this does not concern with the particular case. If the hon. Member writes to me, I will be able to give him to correct answer.

### **Voluntary Retirement Scheme in NTC Mills**

\*887. DR. DATTA SAMANT: Will the Minister of TEXTILES be pleased to state:

(a) the number of textile workers who have accepted the benefits of voluntary retirement scheme from National Textile Corporation Mills during the last three years; and

(b) the details of the scheme?

THE MINISTER OF TEXTILES (SHRI RAM NIWAS MIRDHA) : (a) and (b). A statement given below:-

### **STATEMENT**

(a) and (b). During the years 1985-86 to 1987-88, about 21,000 workers gave voluntary resignations under the Labour Rationalisation programme of NTC. They were paid an ex-gratia of 15 days' wages/salary for each completed year of service in addition to gratuity as per the payment of Gratuity Act, 1972.

DR. DATTA SAMANT: Twenty one thousand workers lost their jobs during the last two years - from 1987 and another 140,000 from other mills, which shows the way the entire textile policy of the Government is working.

Coming to NTC mills, they have fifty-years old, obsolete machinery; and they have to bring out the whole quantity of Janata cloth. These mills are managed by NTC. Modernization funds are given to good mills like Reliance, Orkay and other such mills. The profit of Reliance is Rs. 117 crores this year, with a turnover of Rs. 15000 crores.

If you encourage such good mills, then only 8 or 10 mills will eventually remain, and all other mills will gradually be abolished. My question is Are you going to give to these NTC mills whatever concessions in excise duty and funds for modernization which you have given to these big House, and also improve those NTC mills with Sultzler looms etc.? The workers are prepared to work. But I want the hon. Minister to give this assurance.

SHRI RAM NIWAS MIRDHA: There is no question of assurance. We are actually implementing what the hon. Member suggests. We have imported; not Shultz but

Russian looms. I do not think he will object to that.

**DR. DATTA SAMANT:** Not at all.

**SHRI RAM NIWAS MIRDHA :** Don't have softness for the Shultz. We have imported the Russian looms as part of the modernization programme. We are in touch with the IDBI. They have, on the basis of merit, sanctioned Rs. 100 crores for modernization. We have selected mills which have to be modernized, and we mean to make NTC as efficient as possible, like any other mills in the country.

**DR. DATTA SAMANT:** My second question: In Bombay, thirteen mills were taken over when the late Prime Minister Indira Gandhi had gone there in 1983; and the dispute is still going on. If the workers there retire, they are not going to get their gratuity. Difficulties are coming up in this regard. Thousands of workers are suffering. Already, four years have passed. My question is whether, in the case of these thirteen mills which were nationalised about four years back and which are with the NTC now, their workers when they retire will get their terminal dues, other compensations etc. or not.

**SHRI RAM NIWAS MIRDHA:** These thirteen mills were not nationalized, as the hon. Minister says. Their management was taken over; and we are running those mills as sick mills. There is a difference between nationalization and management.

I am mainly correcting the hon. Member's expression. That is all. I did not mean to say that we are not running them. We are fully responsible for those mills. We are running them in the most proper way, and the workers will get all the benefits that they are entitled to, under the rules. There is no question of discrimination against them.

**SHRI DAGVJAY SINGH:** In 1983, a special provision was made in respect of sick textile units. They wanted to shift out of a congested city, they could sell the land; and that sale will attract no capital gains tax, provided the money is invested outside or away from that place. Is it a fact that no textile mill, however sick it may be, in Bombay, Ahmedabad or anywhere else, has availed of this? Will the Ministry of Textiles cooperate with the various agencies to see that such an exodus take place, of mills outside these cities and re-investment made outside?

**SHRI RAM NIWAS MIRDHA:** This question has been raised on a number of occasions, viz. that cities should be de-congested, and mills taken out. Our Minister is trying to assist in all possible ways in this laudable objective.

## WRITTEN ANSWERS TO QUESTIONS

[English]

### Boards of Directors of Nationalised Banks

\*884. **PROF. K.V. THOMAS:** Will the Minister of FINANCE be pleased to state:

(a) whether the Boards of Directors of the nationalised banks are proposed to be reconstituted;

(b) the criteria for reconstitution; and

(c) whether the representatives of farmers, industrialists, employees, trade unions are proposed to be included in the Boards of Directors of the nationalised banks?

THE MINISTER OF STATE IN THE DEPARTMENT OF ECONOMIC AFFAIRS IN THE MINISTRY OF FINANCE (SHRI

EDUARDO FALEIRÓ) : (a) to (c). Appointment of directors on the boards of directors of nationalised banks is done in accordance with the criteria and norms prescribed in the Nationalised Banks ( Management and Miscellaneous Provisions) Schemes, 1970 and 1980. At present there are no non-official Directors on the Boards of Directors of the nationalised banks. The question of nomination of these non-official directors is under consideration.

#### Export of Fruits from Andhra Pradesh

\*885. SHRI MANIK REDDY: Will the Minister of COMMERCE be pleased to state:

(a) the fruits being exported from

Andhra Pradesh;

(b) their quantity during the last three years, year-wise and fruit-wise; and

(c) the foreign exchange earnings there from?

THE MINISTER OF FINANCE AND THE MINISTER OF COMMERCE (SHRI NARAYAN DATT TIWARI) : (a) to (c). State-wise export data is not being maintained. Export of fruits is freely allowed as per the Export Policy.

Exports of fruits from India including those grown in Andhra Pradesh and their value during the last three years are as follows:-

	Qty. (M. T)	Val. (in Rs. crores)
1985-86	23285	24.30
1986-87	25000	25.00
1987-88	24700	27.10

(April-Jan.'88)

The major fruits being exported are mango, guava, chikoo, pineapples, grapes, apples, citrus etc.

[Translation]

#### Suggestions from Exporting Industrial Units to Achieve Exports Increase.

\*889. SHRI SHANTI DHARIWAL: Will the Minister of COMMERCE be pleased to state:

(a) whether Government have suggested to the exporting industrial unit for a result oriented scheme to bring about increase in exports and to reduce trade imbalance;

(b) if so, whether Government have received any suggestion from these industrial units; and

(c) if so, the action taken thereon by Government?

THE MINISTER OF FINANCE AND THE MINISTER OF COMMERCE (SHRI NARAYAN DATT TIWARI) : (a) to (c). A statement is given below:-

#### STATEMENT

Government maintains a constant dialogue with exporters through various Export Promotion Councils (EPCs), Federation of India Chambers of Commerce and Industry



(FICCI) Federation of Indian Export Organisations (FIEO), Associated Chambers of Commerce and Industry of India (ASSO-CHAM) and other relevant organisations for export promotion. Suggestions received during discussions are taken into consideration while making policy formulations.

[English]

### Steps to Help Carpet Industry to Face World Market Competition

\*890 SHRI KAMAL NATH: Will the Minister of TEXTILES be pleased to state:

(a) whether the Indian Carpet Industry which enjoyed a boom in Seventies is losing its grip over the world market and is facing a stiff competition from Iran, Pakistan and China;

(b) the extent of decline in export of Indian carpets;

(c) whether the decline in export is attributed to shortage of wool and also increase in prices of woollen yarn;

(d) whether Government propose to import wool in order to offset the deficit; and

(e) the other steps taken to enable the carpet industry to face the competition in the world market?

THE MINISTER OF TEXTILES (SHRI RAM NIWAS MIRDHA) : (a) to (e). A statement is given below:-

### STATEMENT

(a) No, Sir, It is however, a fact that Indian Carpet Industry is facing a stiff competition from Iran, Pakistan and China.

(b) and (c). Do not arise.

(d) Import of Carpet grade wool has

already been allowed under OGL with an import duty of only 20%.

(e) The following steps have been taken to help the Indian Carpet Industry to face competition in the world market:-

1. Exports of hand knotted woollen carpets etc. are eligible for:-

i) CCS @ 8% depending upon the FOB value of handmade woollen carpets per sq. metre.

ii) Duty Drawback @ 3% of the FOB value of Hand -made carpets.

iii) Import Replenishment @ 15 % of FOB value.

iv) Import of all moth proofing formulations against REP licences.

2. Carpet Export Promotion Council has been set up to give pointed attention towards promotion of carpets exports.

3. To explore market potentials for hand-knotted carpets, 4 Sales-cum-Study Teams sponsored by Carpet Export Promotion Council visited USA, Canada, Australia, New Zealand, European Countries and Gulf Countries.

4. A Delegation of technical experts/exporters, headed by the Development Commissioner (Handicrafts), visited USSR and People's Republic of China to study the techniques employed in the production of hand-knotted carpets in those countries.

5. The rate of interest on Pre-shipment and Post shipment credit was reduced to 9.5% w.e.f. 1.8.86 for a period below 180 days.

6. An institute for Carpet Technology is

being set up at Bhadohi to look after the R&D requirements of the Industry.

### **Effect of Erosion in Value of Rupee on Import based Projects**

\*891. SHRI BRAJAMOHAN MOHANTY: Will the Minister of FINANCE be pleased to state:

(a) whether the erosion of value of rupee has resulted in dampening effect on import based projects;

(b) if so, the details thereof:

(c) the total amount by which project Costs are estimated to go up; and

(d) the steps being taken to meet the situation?

THE MINISTER OF STATE IN THE DEPARTMENT OF ECONOMIC AFFAIRS IN THE MINISTRY OF FINANCE (SHRI EDUARDO FALEIRO) : (a) to (d). The exchange rate of the rupee is fixed with reference to the exchange rate movements of a weighted basket of currencies, mainly of countries which are India's major trading partners. When the value of currencies of our trading partners goes up in relation to the rupee, the rupee costs of imports goes up and there is consequent slowing down of imports therefrom. It is difficult to isolate the amount of such increase in costs or imports-reduction consequently only on such exchange rate changes. Decrease in dependence on import of equipment and consequent reliance on domestic goods is a desirable event.

[Translation]

### **Sharing of Gandhi Sagar Water Between Madhya Pradesh & Rajasthan**

\*892. SHRI KAMMODILAL JATAV: Will the Minister of WATER RESOURCES be

pleased to state:

(a) whether Union Government are aware that the agreement concluded between Rajasthan and Madhya Pradesh for sharing equally the water of Gandhi Sagar dam is being fully implemented; and

(b) if not, the remedial steps being taken by Union Government to ensure complete compliance of the agreement, particularly to ensure adequate water to the farmers of the Chambal Division in Madhya Pradesh?

THE MINISTER OF WATER RESOURCES (SHRI DINESH SINGH) : (a) and (b). A Standing Committee assists Madhya Pradesh—Rajasthan Interstate (Irrigation and Power) control Board for sharing equally the waters of Chambal at Kota Barrage. There is no member from the Central Government in this Committee.

[English]

### **International Conference on Alleviation of Poverty**

\*893. SHRI S.B. SIDNAL:  
SHRI H.N. NANJE GOWDA:

Will the FINANCE Minister be pleased to state:

(a) whether the international conference on various matters relating to alleviation of poverty, socio-economic development was held in New Delhi recently;

(b) if so, the names of the countries participated and the decisions arrived at; and

(c) the extent to which Government have accepted them?

THE MINISTER OF STATE IN THE DEPARTMENT OF ECONOMIC AFFAIRS IN THE MINISTRY OF FINANCE (SHRI

**EDUARDO FALEIRO) :** (a) The 19th World Conference on "Poverty Development and Collective Survival-Public and Private Responsibilities" organised by the Delhi Chapter of the Society for International Development, Rome was held in New Delhi from 25th to 28th March, 1988.

(b) Information is being collected and shall be laid on the Table of the House.

(c) Does not arise.

### **Outstanding Bank Credit Against Sick Industrial Units**

\* 894. **SHRI JITENDRA PRASADA:  
SHRI CHANDRA SHEKHAR  
TRIPATHI:**

Will the Minister of FINANCE be pleased to state:

(a) whether the amount of outstanding bank credit against sick industrial units is growing every year;

(b) if so, the details of this amount during the last three years; and

(c) the steps taken to reduce this amount ?

**THE MINISTER OF STATE IN THE DEPARTMENT OF ECONOMIC AFFAIRS IN THE MINISTRY OF FINANCE (SHRI EDUARDO FALEIRO) :** (a) to (c). A statement is given below.

### **STATEMENT**

(a) to (c). Reserve Bank of India (RBI) has reported that total outstanding bank credit against sick industrial units stood at Rs. 3638.39 crores, Rs. 4270.93 crores and 4874.49 crores respectively as at the end of December, 1984-85 and 1986.

2. Guidelines have been laid by RBI impressing on banks the regular monitoring of borrowal accounts and to draw rehabilitation packages in respect of such sick industrial units as are found Potentially viable. Phased repayment of Bank's dues are contemplated in the packages which may contain reliefs/concessions like reduced rates of interest, funding of irregularities, waiving of penal interest, etc. As regards non-violable units, banks resort to suitable action for the recovery of their dues which include, inter-alia, sale of goods hypothecated to the bank, enforcement of security available against the borrower/or guarantor etc.

### **Steps to Control Prices**

\*895. **PROF. NARAIN CHAND PARASHAR:** Will the Minister of FINANCE be pleased to state:

(a) whether Government have taken any steps in the months of January, February, 1988 effectively to control the steep rise in prices which have caused extreme hardship to the common man; and

(b) if so, the nature of the steps taken and the results thereof alongwith the exact details about the price index during each of the months of the year 1987 and the first two months of the year 1988?

**THE MINISTER OF STATE IN THE DEPARTMENT OF ECONOMIC AFFAIRS IN THE MINISTRY OF FINANCE (SHRI EDUARDO FALEIRO) :** (a) and (b). A statement is given below.

### **STATEMENT**

(a) and (b). The measures taken to keep prices under control include maintenance of higher releases of essential commodities such as rice, wheat, edible oils and sugar

through the public Distribution System during the months of January and February compared to the corresponding period of the previous year, raising of Statutory Liquidity Ratio of scheduled commercial banks from 37.5 per cent to 38 per cent to mop up the excess liquidity in the system and intensification of anti-hoarding drive. Price movements in different parts of the country are also being closely monitored and the Finance Minister has been regularly communicating with the Chief Ministers on this matter. The Budget of 1988-89 provides incentives for increasing agricultural and industrial

production as well as reliefs to the common man. These include the reduction in the rate of interest on crop loans by 1.5 per cent to 2.5 per cent, reduction in the price of fertilizers and some pesticides and weedicides. An action plan in specified districts to boost agricultural production and achieve plan targets has also been launched. A statement showing monthly movement in the Wholesale Price Index (WPI) and the Consumer Price Index (CPI) during the period under reference is given below. It may be observed that both the WPI and the CPI registered a decline during the month of February, 1988.

#### STATEMENT

	Wholesale Price Index (1970-71=100)	Consumer Price Index (1960=100)
1	2	3
<u>1987</u>		
January	377.7	688
February	376.6	686
March	378.1	686
April	381.2	691
May	390.3	703
June	394.0	715
July	400.6	724
August	409.6	736
September	408.9	745
October	409.5	750
November	411.1	755
December	410.3	752

1	2	3
<b>1988</b>		
January	415.0(P)	753
February	414.6(P)	749

(p) Provisional.

[Translation]

### Handloom Workers in Uttar Pradesh

\*896. SHRI HARISH RAWAT: Will the Minister of TEXTILES be pleased to state:

(a) the total number of handlooms and handloom workers in Uttar Pradesh;

(b) whether Government are aware that the number of handloom workers is decreasing for past few years; and

(c) if so, the steps being contemplated to check this trend by improving the conditions of handloom workers?

THE MINISTER OF TEXTILES (SHRI RAM NIWAS MIRDHA): (a) to (c) A statement is given below.

### STATEMENT

- (a) State Government has reported that there are an estimated 5.09 lakhs handlooms providing employment to approximately 15 lakhs persons in the State.
- (b) The increase/decrease in the number of handloom workers in Uttar Pradesh State will be known on completion of the National Handloom Census, which is presently being conducted in the country, including

Uttar Pradesh.

- (c) In order to enable the handloom sector to realise its full potential and in order to improve the socio-economic and living conditions of handloom weavers in all States, including U.P., Central Government is implementing the following schemes.
  - i) Share capital assistance to handloom weavers to enrol themselves as member of cooperative societies;
  - ii) Share capital assistance to handloom weavers primary apex cooperative societies and State handloom corporations;
  - iii) Assistance for modernisation of looms;
  - iv) Managerial subsidy to handloom weavers' primary societies;
  - v) Financial assistance to State Handloom Development Corporations and Handlooms Cooperative Societies for setting up pre-loom and post-loom processing facilities;
  - vi) Special rebate at the rate of

- 20% on sale on handloom products;
- vii) Janata Cloth Scheme;
- viii) Thrift fund Scheme;
- ix) Workshed-cum-Housing Scheme;
- x) Reservation of 22 items for exclusive production in the handloom sector through the handloom (Reservation of articles for production) Act, 1985.
- xi) Special project for development of Handlooms in the Hill Areas.

[English]

**Meeting with Associations of Textile Manufacturers and Consumers In Bombay**

\*897. SHRI S.M. GURADDI: Will the Minister of TEXTILES be pleased to state:

(a) whether recently he convened a meeting of the various associations of textile manufacturers and consumers in Bombay;

(b) if so, the main purpose of the meeting; and

(c) the points discussed and the details of decisions arrived at?

THE MINISTER OF TEXTILES (SHRI RAM NIWAS MIRDHA): (a) to (c). A statement is given below.

**STATEMENT**

(a). Yes, Sir. However, the meeting was eventually chaired by Secretary to Govern-

ment, Ministry of Textiles.

(b). The main purpose of the meeting was to emphasise that the benefit of duty reduction on synthetic fibres/yarns is passed on down the line to the consumers, in the form of lower prices of cloth.

(c). The extent of reduction of prices by synthetic fibre and filament manufacturers, as compared to the duty reduction; as also the consequent impact on prices of cloth were discussed. It was stressed that benefits of duty reduction should be passed on down the line.

**Export of Foodgrains and Pulses**

\*898. SHRI V. TULSIRAM: Will the Minister of COMMERCE be pleased to state:

(a) whether Government are contemplating export of foodgrains, pulses and oilseeds to some African countries;

(b) if so, the details of such export, item-wise, and the names of the countries to which these will be exported; and

(c) the extent to which such export will have an effect on domestic requirements?

THE MINISTER OF FINANCE AND MINISTER OF COMMERCE (SHRI NARAYAN DATT TIWARI): (a) to (c). A statement is given below.

**STATEMENT**

(a) to (c): Export of pulses and oilseeds is not permitted. Export of Basmati rice is allowed by all concerned under Open General Licence. In the import and export policy for April 1988-March 1991, wheat; wheat products; non-basmati rice and coarse grains are included in the list of items export of which are allowed within limited ceiling. In

view of the domestic requirements in the wake of drought in the country, at present it has been decided not to release export ceiling for foodgrains (excluding Basmati rice) during 1988-89.

**Unsold Goods In All India Handloom Fabrics Marketing Cooperative Society**

8940. PROF. MADHU DANDAVATE: Will the Minister of TEXTILES be pleased to state:

(a) whether the percentage of unsold goods in Handloom Houses of the All India Handloom Fabrics Marketing Cooperative Society Limited, Bombay has risen from 5.7 per cent to about 30 per cent;

(b) if so, whether carpet division of the Society has incurred a huge loss due to mal administration;

(c) if so, whether the society received Rs. 24 lakhs for providing employment to rural marketing artisans; and

(d) whether the amount of Rs. 24 lakhs was frittered away in purchasing goods from weekly markets in Tamil Nadu which were labelled by the Society for sale through Handloom House?

THE MINISTER OF TEXTILES (SHRI RAM NIWAS MIRDHA): (a). No, Sir, the percentage of closing stock of the Society over sales at the end of the cooperative years 1985-86 and 1986-87 were 23.78% and 29.97% respectively.

(b). The Carpet Export Division of the Fabrics Society had earlier incurred some losses. The losses were due to fluctuations in international market. The demand for these carpets has again picked up in the world market and now there is good progress in the export business of the Carpet Division of the Fabrics Society.

(c). The Fabrics Society was given grants to the tune of approx. Rs. 23.56 lakhs for setting up 20 Rural Marketing Centres intended as Multi-functional units at the block level to help artisans by arranging supply of raw materials, exploring markets and procurement and marketing of finished products etc.

(d) No, Sir.

**IFAD Funds**

8941. DR. B.L. SHAILESH: Will the Minister of FINANCE be pleased to state:

(a) whether the President of the International Fund for Agricultural Development (IFAD) recently visited India; and

(b) if so, the outcome of the discussions held with him on the IFAD's funding problem and future cooperation between India and the Fund?

THE MINISTER OF STATE IN THE DEPARTMENT OF ECONOMIC AFFAIRS IN THE MINISTRY OF FINANCE (SHRI EDUARDO FALEIRO): (a) and (b). The President of the International Fund for Agricultural Development (IFAD), Mr. Idriss Jazairy, visited India in March 1988, to participate in the Conference of the Society for International Development. He also held discussions on IFAD's future financial basis and structure, and on issues related to IFAD's lending programme in India.

**Stock of Unsold Drugs**

8942. SHRI R. M. BHOYE: Will the Minister of COMMERCE be pleased to state:

(a) whether there is some unsold stocks of imported essential drugs lying with the State Chemicals and Pharmaceuticals Corporation of India Limited, a subsidiary of the

State Trading Corporation;

(b) if so, the value of the unsold stocks of imported essential drugs and the time since when these drugs are lying in stock;

(c) the reasons for the stocks remaining unsold ; and

(d) the steps Government have taken in

the matter for their disposal?

THE MINISTER OF STATE IN THE MINISTRY OF COMMERCE (SHRI P.R. DASMUNSI) : (a) Yes, Sir. The stocks of drugs are NOW lying with STC, as the State Chemicals & Pharmaceuticals Corporation of India stands merged with STC.

(b) to (d). The information is given in the statement below:



# STATEMENT

S. No.	Name of the Drug	Qty (Kgs)	Value (Rs. lakhs) (Provisional)	Month of arrival	Reasons for stocks remaining unsold and steps taken by STC to dispose off stocks
1	2	3	4	5	6
1.	Vitamin A Acetate	20	0.14	Nov. '87	It is a small left-over quantity and will be allocated with future unlified quantity.
2.	Vitamin A Acetate	2899	20.88	Mar. '88	Material has already been allocated to actual users and entire quantity is likely to be lifted by May. 1988.
3.	Vitamin A Palmitate	3500	59.27	Mar. '88	Material is under testing by Drug Controller (India). It will be allocated to actual users after receipt of test report.
4.	Vitamin A Palmitate	1000	18.03	Mar. '88	Material is under testing by Drug Controller (India). It will be allocated to actual users after receipt of test report.
5.	Vitamin A Palmitate	40	0.72	Nov. '87	Small left-over quantity and will be allocated alongwith material under testing.
6.	Vitamin A Palmitate	17.60	0.15	Aug. '84	Damaged material. It has now been allocated and is being lifted.
7.	Methyl Dopa	150	2.49	Dec. '85	The material has been sold on credit and is being lifted.

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1	2	3	4	5	6
8.	Ethambutol	997.80	9.42	May '82	Sub-standard stocks. This has been reprocessed and is under testing by Asst. Drug Controller. Material will be sold after clearance from Drug Controller.
9.	Amoxicillin Trihydrate	1985	3.02	Mar. '83	Sub-standard stocks. Claims lodged on the supplier. Matter under arbitration.
10.	Chloroquine Phosphate	99.95	0.56	Sept./Oct. 84	Sub-standard stocks. Residual quantity out of 17 MT imported during 1984-85. STC is reprocessing the material to make it saleable.
			114.68		

### Financial Help to Farmers of Maharashtra

8943. SHRI VIJAY N. PATIL: Will the Minister of WATER RESOURCES be pleased to state:

(a) the financial help given to small and poor farmers for irrigation projects in Maharashtra by Union Government and the World Bank during last three years; and

(b) the details of the schemes of irrigation projects in Maharashtra for poor farmers during the Seventh Five Year Plan?

THE MINISTER OF STATE IN THE MINISTRY OF WATER RESOURCES (SHRIMATI KRISHNA SAHI): (a) and (b). Under Centrally Sponsored Scheme for small and marginal farmers for encouraging irrigation through the use of Sprinkler/Drip

system etc., subsidy is given @ 25% for small farmers, 33-1/3% for marginal farmers and 50% for Scheduled Castes and Scheduled Tribes farmers and for Cooperative/Community Schemes of farmers belonging to small and marginal category. The amount of subsidy is shared between the Centre and States in the ratio of 50:50. The Central assistance released to Maharashtra under this scheme during the last three years is Rs. 35.46 lakhs. Central assistance is also available under the National Oilseeds Development Project for installation of Sprinkler system and under the scheme of small and marginal farmers for increasing agricultural production being operated by the Ministry of Agriculture. The following three irrigation projects were under implementation in Maharashtra with World Bank assistance during the last three years. Utilisation of World Bank assistance under these projects is indicated against each.

		1985-86	1986-87	1987-88
		(in million U S.Dollars)		
1.	Maharashtra (II) Irrigation Project.	25.883	since closed	
2.	Maharashtra Water Utilisation Project	4.504	3.104	4.391
3.	Maharashtra Composite Irrigation Project	—	1.969	6.014

### Implementation of Kelkar Committee Report

8944. SHRI HANNAN MOLLAH: Will the Minister of FINANCE be pleased to state:

(a) the details of action taken by Union Government on the recommendations of the Kelkar Committee in favour of promotion from regional rural banks officers to com-

mercial banks; and

(b) the time by which such promotions are expected?

THE MINISTER OF STATE IN THE DEPARTMENT OF ECONOMIC AFFAIRS IN THE MINISTRY OF FINANCE (SHRI EDUARDO FALEIRO): (a) and (b). The recommendations of the Kelkar Committee

relating to promotional opportunities of Regional Rural Banks employees in sponsor banks have been considered by the Government and it has been decided that with a view to work out suitable modalities for implementing these recommendations the matter may be referred to Indian Bank Association.

### **Bank Robberies and Frauds in Nationalised Banks**

8945. SHRI PURNA CHANDRA MALIK : Will the Minister of FINANCE be pleased to state:

(a) whether the bank robberies, dacoities, cheating and frauds are increasing in various nationalised banks in the country, particularly in the northern region;

(b) State-wise and Bank-wise, details thereof during 1986 and 1987; and

(c) the steps taken against the culprits involved in these incidents?

THE MINISTER OF STATE IN THE DEPARTMENT OF ECONOMIC AFFAIRS IN THE MINISTRY OF FINANCE (SHRI EDUARDO FALEIRO) : (a) to (c). Information regarding the total number of cases of frauds perpetrated in public sector banks in India and the amount involved therein, irrespective of the dates of occurrence, as reported by public sector banks to RBI for the years 1986 and 1987 is given in statement I below. Reserve Bank of India (RBI) has further reported that the present data reporting system does not yield information in respect of cases of cheating and frauds State-wise since its system of maintaining and compiling statistics about frauds is done bank-wise and year-wise only.

RBI has intimated that as reported by Public Sector Banks, during the years 1986 and 1987 (upto 30.9.87) the information in respect of the delinquent employees against whom action has been taken for their involvement in cases of frauds is as given below:-

	1986	1987(upto 30.9.1987)
(i) No. of employees convicted on charges of frauds	50	72
(2) No. of employees given major/minor penalties	613	544
(3) No. of employees out of (2) above dismissed/discharged/removed from service	254	220

(Data Provisional)

Bank-wise and State-wise information, as available in respect of bank dacoities/ robberies which took place in the country during the years 1986 and 1987 is given in

statements II and III below. In connection with these bank dacoities/robberies 160 persons are reported to have been arrested.

# STATEMENT—I

*Bank-wise Details in Respect of Public Sector Banks Regarding Number of Frauds and Amount Involved Therein within the Country for the Years 1986 and 1987*

Sl. No.	Name of the Bank	1986		1987	
		No. of frauds	Amount involved Rs. in lakhs)	No. of frauds	Amount involved (Rs. in lakhs)
1	2	3	4	5	6
1.	State Bank of India	527	438.08	591	479.82
2.	State Bank of Bikaner & Jaipur	23	250.44	28	72.92
3.	State Bank of Hyderabad	26	96.68	25	87.34
4.	State Bank of Indore	17	37.35	44	231.96
5.	State Bank of Mysore	27	50.36	35	51.99
6.	State Bank of Patiala	15	15.09	19	423.48
7.	State Bank of Saurashtra	14	46.06	8	41.62
8.	State Bank of Travancore	15	105.09	25	44.37
9.	Allahabad Bank	60	386.84	33	13.82

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1	2	3	4	5	6	65
10.	Andhra Bank	14	12.14	22	20.30	Written Answers
11.	Bank of Baroda	80	361.64	97	165.22	
12.	Bank of India	104	76.70	100	169.24	
13.	Bank of Maharashtra	18	318.62	33	16.26	
14.	Canara Bank	132	162.31	141	164.37	
15.	Central Bank of India	90	346.64	91	704.57	VAISAKHA 9, 1910 (SAKA)
16.	Corporation Bank	16	54.59	11	6.97	
17.	Dena Bank	44	74.88	28	307.50	
18.	Indian Bank	37	47.10	23	62.88	
19.	Indian Overseas Bank	83	32.30	44	181.24	
20.	New Bank of India	25	133.42	13	24.01	Written Answers
21.	Oriental Bank of Commerce	14	11.08	12	17.32	
22.	Punjab National Bank	108	360.74	51	123.55	
23.	Syndicate Bank	84	260.71	231	132.24	66

1	2	3	4	5	6
24. Punjab & Sind Bank		11	203.49	15	385.05
25. Union Bank of India		88	196.44	82	153.11
26. United Bank of India		59	298.71	50	55.78
27. UCO Bank		59	50.27	37	25.93
28. Vijaya Bank		33	14.50	14	15.19
		1823	4442.27	1903	4178.05

(Data provisional)

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# STATEMENT—II

*Available Information as Reported by Public Sector Banks in Respect of the Number of Bank Robberies/Dacoities, which took Place in Public Sector Banks in the Country during the Years 1986 and 1987 and Amount Involved therein*

Sl. No.	Name of the Bank	1986		1987	
		No. of dacoities/ robberies	Amount involved (Rs. in lakhs)	No. of decoities/ robberies	Amount involved (Rs. in lakhs)
1	2	3	4	5	6
1.	Central Bank of India	5	7.18	4	10.39
2.	Bank of India	4	14.65 Travellers cheque valued at U.S.\$ 45690 + £ 13040	+11	24.64
3.	Punjab National Bank	9	22.96	17	577.67
4.	Bank of Baroda	3	5.86	—	—
5.	UCO Bank	4	4.35	5	2.55
6.	Canara Bank	4	2.35	6	6.52
7.	United Bank of India	5	4.90	6	12.93
8.	Syndicate Bank	4	7.64	2	0.16



1	2	3	4	5	6	71
						Written Answers
9. Union Bank of India		7	3.35	3	46.52	
10. Allahabad Bank		4	2.44	2	0.51	
11. Bank of Maharashtra		2	4.88	—	—	
12. Indian Overseas Bank		4	0.81	1	0.50	APRIL 29, 1988
13. Punjab & Sind Bank		14	14.02	10	9.09	
14. Oriental Bank of Commerce		2	4.77	1	0.30	
15. New Bank of India		6	19.25	1	1.17	
16. Vijaya Bank		1	2.95	2	3.57	Written Answers
17. State Bank of India		15	251.47	+ 13	39.95	
Gold ornaments weighing 626 grams						
18. State Bank of Indore		1	2.63	1	—	
						72

1	2	3	4	5	6
19. State Bank of Mysore	1	*9.64	+	—	—
Gold ornaments valued at Rs. 0.82 lakh and Foreign Currency valued at Rs. 0.52 lakh					
20. State Bank of Patiala	10	4.93		3	1.01
21. State Bank of Saurashtra	1	0.35		2	1.82
22. Indian Bank	—	—		1	1.18
	106	391.38	+	91	740.48
Foreign currency valued at Rs. 0.52 lakh and jewellery valued at Rs. 0.82 lakh + Travellers Cheques valued at U.S.\$ 45690 and £ 13040 + Gold weighing 626 grams					

\* (There was one case of burglary accompanied with murder at the State Bank of Mysore, Connaught Place Branch, Delhi on the night of 27th/28th May 1986. An amount of Rs. 9.64 lakhs, foreign currency worth Rs. 0.52 lakhs and jewellery worth Rs. 0.82 lakh was stolen).

(Data provisional)

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Written Answers

VAISAKHA 9, 1910 (SAKA)

Written Answers

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### STATEMENT — III

*Available Information as Reported by Public Sector Banks in Respect of the Number of Bank Robberies/Dacoities, which Took Place in Various States/Union Territories in the Country during the Years 1986 and 1987 and Amount Involved therein*

S. No.	Name of the State/ Union Territory	1986		1987	
		No. of robberies/ dacoities	Amount involved (Rs. in lakhs)	No. of robberies/ dacoities	Amount involved (Rs. in lakhs)
1	2	3	4	5	6
1.	Andhra Pradesh	1	0.19	2	14.78
2.	Assam	4	43.08	3	47.24
3.	Bihar	7	23.87	26	46.35
4.	Chandigarh	1	1.34	1	0.25
5.	Delhi	2	*9.64	1	0.22
			Foreign Currency valued at Rs. 0.52 lakh and jewellery worth Rs. 0.82 lakh		
6.	Gujarat	9	14.67	6	7.57
7.	Haryana	2	8.06	—	—

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1	2	3	4	5	6	77
8.	Jammu & Kashmir	1	—	1	—	Written Answers
9.	Madhya Pradesh	4	7.64	3	0.08	
10.	Maharashtra	11	24.65	1	0.15	
11.	Manipur	1	—	1	0.01	
12.	Meghalaya	2	2.81	—	—	
13.	Punjab	43	63.89	+ 26	591.44	VAISAKHA 9, 1910 (SAKA)
Travellers cheques valued at U.S. \$ 45690 and 13040 Pounds						
14.	Tamil Nadu	1	—	3	4.34	
15.	Uttar Pradesh	8	7.13	7	4.22	
16.	West Bengal	5	2.59	+ 4	13.87	
Gold ornaments weighing 626 grams						Written Answers
17.	Nagaland	4	181.82	1	2.25	
						78

1	2	3	4	5	6
18.	Orissa	—	—	1	0.32
19.	Rajasthan	—	—	1	1.88
20.	Himachal Pradesh	—	—	1	0.05
21.	Kerala	—	—	2	5.46
		106	391.38	+ 91	740.48

Foreign Currency valued at Rs. 0.52 lakh and jewellery of Rs. 0.82 lakh + Travellers cheques valued at U.S. \$ 45690 and £ 13040 + Gold weighing 626 grams

\* (There was one case of burglary accompanied with murder at the State Bank of Mysore, Cannaught Place Branch, Delhi on the night of 27th/28th May 1986. An amount of Rs. 9.64 lakhs foreign currency worth Rs. 0.52 lakh and jewellery worth Rs. 0.82 lakh was stolen)

(Data provisional)

### Tobacco Export to Japan

8946. SHRI C.K. KUPPUSWAMY: Will the Minister of COMMERCE be pleased to state:

(a) whether Japan was a major importer of Indian tobacco;

(b) if so, the details thereof;

(c) whether Japan has recently stopped tobacco import from India; if so, the reasons thereof;

(d) whether the steps are being taken to recapture Japanese imports; and

(e) if so, the details thereof and the result achieved?

THE MINISTER OF STATE IN THE MINISTRY OF COMMERCE (SHRI P.R. DAS MUNSI): (a) Export of Indian tobacco to Japan which was of the order of 3202 tonnes during 1978 has come down to 200 tonnes in 1986. India's share of Japan total leaf tobacco imports during 1986 was about 0.3%.

(b) Export of Indian FCV tobacco to Japan during last few years is as under:-

	Qty: (Tonnes)	Val: (Rs/Lakh)
1984-85	300	126.00
1985-86	202	83.76
1986-87	202	88.74
1987-88	—	—

(c) Japan usually imports bright tobacco of Karnataka. During 1987-88, it could not purchase any quantity due to non-availability of required styles of tobacco from 1987

Karnataka crop which was affected by drought.

It is reported that Japan is holding surplus inventory of Japanese domestic FCV tobacco for the past few years. The styles of tobacco grown in Japan are similar to Indian FCV tobacco of Andhra Pradesh. The Japanese are very selective in their purchases. The Japanese prefer low nicotine tobacco.

(d) and (e). Efforts are underway to identify and develop the varieties which produce low nicotine and tobaccos with flavour which are suitable for the Japanese market. It is proposed by the Tobacco Board to take up extension activities for improving the productivity and quality of tobacco in order to reduce unit cost and thus increasing its price competitiveness. The Tobacco Board is in constant touch with the Japanese and has requested them to consider placing orders for 1987-1988 Andhra Pradesh crop since the quality of tobacco is relatively good.

### Filling of Posts in Ministry of Textiles

8947. CHAUDHARY RAM PARKASH: Will the Minister of TEXTILES be pleased to state.

(a) the number of posts lying vacant in the Ministry of Textiles during the last three years;

(b) the reasons for the delay in filling up these posts; and

(c) when these posts are likely to be filled up?

THE MINISTER OF TEXTILES (SHRI RAM NIWAS MIRDHA): (a) No post is lying vacant in the Ministry of Textiles for the last three years.

(b) and (c). Do not arise.

**Detection of Concealed Income**

8948. SHRI JAGANNATH PATNAIK: Will the Minister of FINANCE be pleased to state:

(a) what is the extent of concealed income detected by the Special Investigation Directorate set up by Government to deal with cases of big business houses during 1985-86, 1986-87 and 1987-88; and

(b) what is the number of cases in respect of different big houses disposed of

by the above Directorate during the above period, separately?

THE MINISTER OF STATE IN THE DEPARTMENT OF REVENUE IN THE MINISTRY OF FINANCE (SHRI A.K. PANJA): (a) and (b). The information regarding the number of assessments involved in the cases overseen by the Directorate of Inspection (Special Investigation) during the financial years 1985-86 and 1986-87 and the aggregate amount of additions made to the declared income in those assessments is as follows:

<i>Financial Year</i>	<i>Number of assessments involved in the cases overseen by the Directorate of Inspection (Special Investigation)</i>	<i>Aggregate amount of additions made to the declared income.</i>
1	2	3
1985-86	205	Rs. 222.16 crores
1986-87	125	Rs. 179.06 Crores

All the assessments in the cases overseen by the Directorate of Inspection (Special Investigation) belong to the large industrial houses. But as such assessee and assessments made by assessing officers are spread all over the country, it is not possible to collect, compile and furnish assessee-wise information relating to the financial year 1987-88, which has ended only recently.

**Export of Cycles**

8949. SHRI CHINTAMANI JENA: Will the Minister of COMMERCE be pleased to state:

(a) whether India is the largest manufacturer of cycles in the world as reported in the 'Times of India' dated 31st March, 1988;

(b) whether export of cycles and cycle parts are eligible for a cash compensatory support of 17 per cent in addition to duty drawback facility and replenishment export licence scheme;

(c) whether such exports are also exempted from tax in respect of export profits

(d) whether exports are expected to rise substantially from the current level of Rs. 50 crores to far beyond the target of Rs. 250

crores set for such exports by the year 1990; and

(e) the details of cycles and cycle components being exported and the earnings therefrom?

THE MINISTER OF STATE IN THE MINISTRY OF COMMERCE (SHRI P.R. DAS MUNSI): (a) India has a major production base for the manufacture of bicycles.

(b) In addition to duty drawback and import replenishment facilities, exports of bicycles and parts are eligible for cash compensatory support at the rates of 15 and 18 per cent depending bicycles and parts.

(c) Existing benefits allowed to exporters under Section 80 HHC of Income Tax Act 1961 are also applicable to the exporters of bicycles and parts.

(d) and (e). As per information furnished by Engineering Export Promotion Council, exports of bicycles and components during 1987-88 were estimated at Rs. 66 crores. The items exported included complete bicycles and parts like hubs, cranks, free wheels, handle bars, frames, etc. The Council have fixed a target of Rs. 115 crores for export of these items in 1990-91.

#### **Drought Impact on Export of Cardamom**

8950. SHRI YASHWANTRAO GADAKH PATIL: Will the Minister of COMMERCE be pleased to state:

(a) whether the drought has affected the production and exports of cardamom;

(b) if so, the details thereof; and

(c) the measures taken to tackle the situation?

THE MINISTER OF STATE IN THE MINISTRY OF COMMERCE (SHRI P.R. DAS MUNSI): (a) Yes, Sir.

(b) On account of drought, the anticipated production in 1987-88 is only 2900 MTs as against 3800 MTs in the previous year.

As against an estimated exports of about 3272 MTs in 1985-86 and 1447 MTs in 1986-87, exports of Cardamom small has been estimated to be only 349 MTs during 1987-88.

(c) The Spices Board has taken both long term and short term measures to minimise the effect of drought on production of Cardamom which include:

- i) Special Extension Support to farmers.
- ii) Developing infra-structure for water resources development.
- iii) Assistance for replanting.
- iv) Production and supply of quality planting materials.
- v) Assistance for plant protection, quality improvement and Soil conservation.

#### **Grants for Tapping Surface and Ground Water**

8951. SHRI MULLAPPALLY RAMACHANDRAN: Will the Minister of WATER RESOURCES be pleased to state:

(a) the amount of subsidy or grants provided by Government towards cost of tapping ground and surface water in the State/Union Territories;

(b) the total cost met by Government



during 1987-88 to enable States/Union Territories to secure equipment and machinery for the development of ground water and surface water schemes;

(c) whether any survey has been conducted to assess the extent of ground and surface and ground water that has been harnessed; and

(d) if so, the details thereof?

THE MINISTER OF STATE IN THE MINISTRY OF WATER RESOURCES (SHRIMATI KRISHNA SAHI) : (a) and (b). Under Centrally Sponsored Scheme for strengthening of ground water and surface water (Minor Irrigation) organisation in States/UTs, 50% matching Central assistance of Rs. 508.91 lakhs was released during 1987-88 to States/UTs to secure equipment and machinery for development of ground water and surface water

(c) and (d). A Centrally Sponsored Scheme for conducting Census of Minor Irrigation works is under implementation, and is expected to be completed during 1988-89.

#### Loans Sanctioned by Bank of India

8952. SHRI KESHORAO PARDHI: Will the Minister of FINANCE be pleased to state:

(a) the amount of loan sanctioned to poor people under 24-point programme by the various branches of the Bank of India during last one year;

(b) branch-wise details thereof; and

(c) whether some branches of the Bank of India have not sanctioned any loan under 24-point programme during last six months, if so, the reasons therefor?

THE MINISTER OF STATE IN THE

DEPARTMENT OF ECONOMIC AFFAIRS IN THE MINISTRY OF FINANCE (SHRI EDUARDO FALEIRO) : (a) The Hon'ble Member is presumably referring to the 20-point programme. Bank of India has reported that as at the end of December 1987 its outstanding credit under the 20-point Programme was Rs. 390 crores in 12 lakh borrowal accounts.

(b) and (c). The present data reporting system does not yield branchwise information in the manner asked for.

#### Setting up of Regional Rural Banks

8953. SHRI LAKSHMAN MALLICK: Will the Minister of FINANCE be pleased to state:

(a) the unbanked rural/semi-rural centres where banking facilities were provided during 1987 and the names of such centres where the banking facilities are likely to be provided by the end of 1988;

(b) the names of places where regional rural banks were set up in 1987 in Orissa; and

(c) the names of places where regional rural banks are likely to be set up by the end of 1988?

THE MINISTER OF STATE IN THE DEPARTMENT OF ECONOMIC AFFAIRS IN THE MINISTRY OF FINANCE (SHRI EDUARDO FALEIRO) : (a) The information is being collected and will be laid on the Table of the House to the extent possible.

(b) and (c). Reserve Bank of India has reported that during the year 1987 no Regional Rural Bank was set up in Orissa. There is also no proposal pending with the Government at present to start new Regional Rural Banks in Orissa.

### Processed Food Industry

8954. SHRI HAFIZ MOHD. SIDDIQ: Will the Minister of FINANCE be pleased to state:

(a) whether the Prime Minister has desired a thrust to be laid on the processed food industry;

(b) the expected excise revenue from this industry;

(c) whether Government propose to remove excise duty on processed food items. and

(d) if not, the reasons therefor?

THE MINISTER OF STATE IN THE DEPARTMENT OF REVENUE IN THE MINISTRY OF FINANCE (SHRI A.K.PANJA) : (a) The Prime Minister, while presenting the Budget for 1987-88, had announced certain fiscal measures with a view to encouraging the processed food industry. In continuation of these measures, certain further concessions like reduction in customs duty on specified items of food processing and packaging machinery and reduction in excise duty on items like parts and accessories of cold storage, aluminium foil and preparations of vegetables, fruits, nuts etc. were announced in this year's Budget.

(b) Processed food industry cover a wide range of products. The estimate of excise revenue from items such as dairy products malted foods, pasta products, flakes of cereals, biscuits and sauces is of the order of Rs. 85 crores for 1988-89.

(c) and (d). There is no proposal for removal of excise duty on processed food items under consideration. Many of these items are totally exempt from excise duty. In case where excise duty is chargeable, the rates are not high. Concession for small

scale units and MODVAT benefit also are available in the case of these items.

### Foreign Assistance to Voluntary Organisation

8955. SHRI PARASRAM BHARDWAJ: Will the Minister of FINANCE be pleased to state:

(a) the names of the voluntary organisations functioning in Madhya Pradesh which are at present getting foreign assistance;

(b) whether some of the voluntary organisations in Madhya Pradesh are not filling their income tax returns regularly and not paying income tax dues;

(c) if so, the details thereof; and

(d) the reaction of Government thereon?

THE MINISTER OF STATE IN THE DEPARTMENT OF REVENUE IN THE MINISTRY OF FINANCE (SHRI A.K.PANJA) : (a) to (d). The information is being collected and will be laid on the Table of the House as soon as available.

### Customs Duty on Immobilised Enzymes

8956. SHRI RAMASHRAY PRASAD SINGH : Will the Minister of FINANCE be pleased to state:

(a) the rate of duty leviable on import of immobilised enzymes;

(b) whether Government have received any complaint in respect of levy of low rate of customs duty on the above item; and

(c) if so, the details thereof.

THE MINISTER OF STATE IN THE

DEPARTMENT OF REVENUE IN THE MINISTRY OF FINANCE (SHRI A.K.PANJA) : (a) to (c). The total customs duty leviable on immobilised enzymes is 135.75 % *ad valorem*. No representation seeking enhancement of customs duty on immobilised enzymes has been received.

#### **Implementation of Agreement between two N.T.C. Mills of Bangalore**

8957. SHRI MATILAL HANSDA: Will the Minister of TEXTILES be pleased to state:

(a) whether there is any proposal under consideration to implement the agreement between the two National Textile Corporation Mills at Bangalore namely the Mysore Spinning and Manufacturing Mills and Minerva Mills;

(b) if so, the details thereof; and

(c) the steps taken so far in this regard?

THE MINISTER OF TEXTILES (SHRI RAM NIWAS MIRDHA): (a) There is no agreement between Mysore Spinning & Manufacturing Mills and Minerva Mills, Bangalore (Units under NTC) requiring any implementation.

(b) and (c). Do not arise.

#### **India's Participation in Trade Fairs**

8958. SHRI H.B. PATIL: Will the Minister of COMMERCE be pleased to state:

(a) the number of trade fairs and exhibitions in which India is likely to participate during the year 1988 and the amount likely to be spent on them and volume of trade expected to be transacted therein;

(b) the names of the trade fairs likely to be held in India during the current year

alongwith their timings and the names of the countries which are likely to participate; and

(c) the arrangements made for use of official language Hindi in these fairs?

THE MINISTER OF STATE IN THE MINISTRY OF COMMERCE (SHRI P.R. DAS MUNSI): (a) During 1988-89, the Trade Fair Authority of India is scheduled to organise participation in 42 fairs abroad. The estimated budget for these fairs is approximately Rs. 10 Crores. The basic objective of participation in fairs abroad is to project India's industrial and commercial capabilities. It is difficult at this stage to indicate the quantum of trade expected to be transacted in these fairs.

(b) During 1988-89, the TFAI is scheduled to organise the following fairs in India:-

- i) India International Trade Fair, Nov. 14-29, 1988.
- ii) Electronics India, Sept. 6-11, 1988.
- iii) AHARA' 89—International Food Exhibition, Jan. 25-Feb., 3, 1988.
- iv) INDIAPAC' 89, Jan. 25-Feb. 3, 1989.
- v) INDIA INTL. LEATHER FAIR Jan. 31-Feb. 6, 1989.
- vi) TEX INDIA, DEC. 15, 1988-Jan 4, 1989.

It is difficult at this stage to indicate the details of the countries which are likely to participate in these fairs.

(c) Hindi is used extensively by TFAI in publicity campaigns as well as at displays for

fairs held in India. It is also used wherever possible in fairs abroad particularly when Hindi knowing trade visitors are expected to visit the fair.

### Adoption of Villages by Public Sector Banks

8959. SHRI ZAINUL ABEDIN: Will the Minister of FINANCE be pleased to state:

(a) the number of villages adopted under the 'village adoption scheme' by the public sector banks, State-wise; and

(b) the total amount spent, State-wise during 1987 for implementation of this scheme?

THE MINISTER OF STATE IN THE DEPARTMENT OF ECONOMIC AFFAIRS IN THE MINISTRY OF FINANCE (SHRI EDUARDO FALEIRO): (a) and (b). As at the end of December, 1986 (latest available), the Public Sector Banks had 2,23,028 villages under the Village Adoption Scheme and the amount of direct agricultural advances outstanding on that date was Rs. 4119.15 crores. The State-wise details are given in the statement below.

### STATEMENT

(Amount in lakhs of Rs.)

<i>Name of State/ Union Territory</i>	<i>No. of villages adopted</i>	<i>Amount Outstanding</i>
1	2	3
<b>I. NORTHERN REGION</b>	<b>41198</b>	<b>55806.89</b>
Haryana	6226	10071.82
Himachal Pradesh	4040	1351.03
Jammu & Kashmir	1383	635.31
Punjab	10339	23825.33
Rajasthan	18724	18551.64
Chandigarh	10	14.92
Delhi	476	1356.84
<b>II. NORTH EASTERN REGION</b>	<b>5073</b>	<b>6562.68</b>
Assam	2553	3497.15
Manipur	256	225.50
Meghalaya	604	613.65

95	<i>Written Answers</i>	APRIL 29, 1988	<i>Written Answers</i>	96
	1	2	3	
	Nagaland	156	615.63	
	Tripura	1350	1308.29	
	Arunachal Pradesh	77	123.69	
	Mizoram	12	69.50	
	Sikkim	65	109.27	
III.	EASTERN REGION	<b>58039</b>	<b>67445.49</b>	
	Bihar	20374	23568.67	
	Orissa	15867	16362.67	
	West Bengal	21748	27423.88	
	Andaman & Nicobar Islands	50	90.27	
IV.	CENTRAL REGION	<b>60081</b>	<b>75969.76</b>	
	Madhya Pradesh	19156	14488.99	
	Uttar Pradesh	40925	61480.77	
V.	WESTERN REGION	<b>19224</b>	<b>40530.44</b>	
	Gujarat	6901	14407.78	
	Maharashtra	11981	25181.06	
	Dadra & Nagar Haveli	14	35.96	
	Goa, Daman & Diu	328	905.54	
VI.	SOUTHERN REGION	<b>39413</b>	<b>165599.94</b>	
	Andhra Pradesh	19738	82822.97	
	Karnataka	10631	30878.91	
	Kerala	1623	13963.94	
	Tamil Nadu	7108	37026.28	

1	2	3
Lakshadweep	—	—
Pondicherry	313	907.84
All India	2,23,028	411915.20

#### **Defaulter Advance Licencees**

8960. SHRI ANANDA PATHAK: Will the Minister of COMMERCE be pleased to refer to the reply given on 13th December, 1985 to the Unstarred Question No. 3877 regarding exporters obtained advance licence duty free defaulted in export obligation and state:

(a) the list of firms which were declared defaulters in respect of advance licences issued in 1986-87 and during the period 1987;

(b) whether the Customs Authorities have raised import duty issued during 1983-84, 1984-85, 1985-86 and 1986-87 and 1987;

(c) if not, the reasons therefore;

(d) whether all such firms have been deregistered under the Import and Export Policy or put in abeyance?

THE MINISTER OF STATE IN THE MINISTRY OF COMMERCE (SHRI P.R. DASMUNSI): (a) to (d). The information is being collected and will be laid on the Table of the House.

#### **Import of Gold**

8961. SHRI SANAT KUMAR MANDAL: Will the Minister of COMMERCE be pleased to state:

(a) whether the Minerals and Metals Trading Corporation (MMTC) is being permitted to import gold at international prices to be made available to the exporters of gold jewellery in the coming years;

(b) if so, the quantity and estimated value of the gold to be imported and the country of import; and

(c) whether it is not possible to meet this requirement from the smuggled gold confiscated from time to time?

THE MINISTER OF STATE IN THE MINISTRY OF COMMERCE (SHRI P.R. DASMUNSI): (a) and (b). The scheme and its modalities to permit Minerals and Metals Trading Corpn. (MMTC) to stock gold in export processing zones and 100% EOUs for supply to manufacturing units as raw material for export production of jewellery is under consideration of the Government.

(c) No, Sir.

#### **Proceedings Under Fera**

8962. SHRI RAM BHAGAT PASWAN: Will the Minister of FINANCE be pleased to state:

(a) whether any proceedings against top six large industrial houses and its Directors and Chairmen are pending under FERA and other Finance Acts; and

(b) if so, the details thereof and the names of Directors and Chairmen of M/s. Hindalco and Gwalior Rayons against whom the proceedings are being pending?

THE MINISTER OF STATE IN THE DEPARTMENT OF REVENUE IN THE MINISTRY OF FINANCE (SHRI A.K. PANJA): (a) and (b). Information is being collected and will be laid on the Table of the House.

### Excise Duty on Synthetic Fabrics

8963. SHRI N. SUNDARARAJ: Will the Minister of FINANCE be pleased to state:

(a) whether the excise on synthetic fabrics domestically produced is being estimated by Government on the basis of retail price;

(b) whether it is a fact that Government charge excise on ex-factory price;

(c) if so, the reasons therefor; and

(d) whether it is a fact that the excise rate on polyester sarees, shirting and suiting is 48 per cent to 70 per cent on ex-factory price?

THE MINISTER OF STATE IN THE DEPARTMENT OF REVENUE IN THE MINISTRY OF FINANCE (SHRI A.K. PANJA): (a) to (c). As per central excise law, excise duty in respect of goods chargeable on ad valorem basis is levied on the whole-sale price of the goods as determined under section 4 of the Central Excises and Salt Act, 1944, or the rules made thereunder. As far as synthetic fabrics are concerned, excise duty is levied at specific rates and therefore, the question of assessing duty on the basis of retail price does not arise.

(d) The excise duty rates on polyester fabrics depend upon the value, weight,

width, composition and the sector producing or processing the fabrics. The rates of duty on woven fabrics of polyester vary from nil to Rs. 30 per sq. mtr. depending upon the factors mentioned above.

### Community Irrigation Project of Kerala

8964. SHRI T. BASHEER: Will the Minister of WATER RESOURCES be pleased to state:

(a) whether Government of Kerala has submitted a proposal of Rs. 100 crore community irrigation project for approval of Union Government;

(b) if so, whether it is a fact that Dutch Government have agreed to provide required funds for this project; and

(c) the details thereof and the action taken by Government?

THE MINISTER OF STATE IN THE MINISTRY OF WATER RESOURCES (SHRIMATI KRISHNA SAHI): (a) to (c). The Government of Kerala have submitted a proposal on Community Irrigation Project estimated to cost about Rs. 100 crores for Assistance from Netherlands. The quantum of funds to be contributed by the Netherlands Side towards the project has not yet been finalised. The details of the funds and the Project will be finalised after the Report of the Dutch Appraisal Mission is received.

### Rehabilitation of People Affected by Sardar Sarovar Dam and Narmada Sagar Project

8965. PROF. RAMKRISHNA MORE: Will the Minister of WATER RESOURCES be pleased to state:

(a) whether the process of rehabilitation of the affected people by the Sardar

Sarovar dam and Narmada Sagar Project has actually started;

(b) if so, the details thereof and the areas identified for their rehabilitation; and

(c) the number of people that have since been settled and the period by which the resettlement of the oustees is likely to be completed?

THE MINISTER OF STATE IN THE MINISTRY OF WATER RESOURCES (SHRIMATI KRISHNA SAHI): (a) to (c). Yes, Sir. The Government of Gujarat has so far identified 28 resettlement sites and about 750 families have been shifted for Sardar Sarovar Project. The resettlement is to be completed prior to filling of the reservoirs.

#### Computerisation in NTC

8966. SHRI HARIHAR SOREN: Will the Minister of TEXTILES be pleased to state:

(a) whether the National Textile Corporation has taken steps to computerise its operation;

(b) if so, the outlay fixed for computerisation programme; and

(c) by which time the computerisation

programme is expected to become operational?

THE MINISTER OF TEXTILES (SHRI RAM NIWAS MIRDHA): (a) to (c). NTC has decided to initially computerise its Management Information System and has earmarked about Rs. 38 lakhs for this purpose. The necessary computer system will be installed within about seven months from the date of signing of the contract with the supplying company.

#### Status of Major and medium Irrigation Projects of Bihar

8967. SHRI SYED SHAHABUDDIN: Will the Minister of WATER RESOURCE be pleased to refer to the reply given on 8 April, 1988 to Untarred Question No. 6361 regarding major and Medium Irrigation Projects of Bihar and state;

(a) the brief particulars of 12 major and 13 medium irrigation projects mentioned therein, with location, date of proposal, initial cost estimate and command area; and

(b) the present status of each project?

THE MINISTER OF STATE IN THE MINISTRY OF WATER RESOURCES (SHRIMATI KRISHNA SAHI) : (a) and (b). Details of 12 major and 13 medium Irrigation Schemes are given as under:-



<i>Sl. No.</i>	<i>Name of Project</i>	<i>Location village/ Distt.</i>	<i>Est. cost in Rs. Lakhs</i>	<i>C.C.A. in Th. Ha.</i>	<i>Date of receipt in CWC</i>	<i>Status of Clearance</i>
1	2	3	4	5	6	7
<b>MAJOR/NEW</b>						
1.	Siktia Barrage	Siktia Santhal Pargana	11534.00	36.437	1/88	Comments sent to the State Government are yet to be incorporated. The scheme is included in the VII Plan.
2.	Tilaya Dhadhar	Sehjana Gaya	4674.00	35.223	10/74	—do—
3.	North Koel Reservoir	Kutku Palamau	47410.00	120.00	3/86	—do—
4.	Sone Canal Modernisation	Indrapuri Rohtas	119472.00	560.00	8/83	—do—
5.	Western Kankai Irrigation Scheme	Bahadurgarh Purnea	7420.00	40.629	11/84	Comments sent to the State Government are yet to be incorporated.
6.	Pun-Pun Dhardha Irrigation Scheme	Hamidnagar Gaya	2077.67	55.114	12/88	Comments sent to the State Government are yet to be incorporated.

1	2	3	4	5	6	7	105
7.	Zamania Pump Canal	Zamania Gazipur	2547.00	19.150	8/86	Comments sent to the State Government are yet to be incorporated.	Written Answers
8.	Dhaka Canal Modernisation	Goabari East Champaran	3338.26	10.083	2/86	—do—	
9.	Mohane Res. Scheme	Armedog Hazaribagh	12700.00	66.009	9/82	—do—	
10.	Sukhsena Ghat Pump Canal	Vadhwa Santhal Pasrgana	1461.60	28.427	8/77	—do—	VAISAKHA 9, 1910 (SAKA)
11.	Upper Sakari Reservoir Project	Jarasimar Hazaribagh	12381.00	67.67	10/82	—do—	
12.	Repairs to Kosi Barrage	Hanumannagar Purnea	1243.00	49.109	2/86	—do—	
MEDIUM NEW							
1.	Salaya Res. Scheme	Barakatha Hazairibagh	595.25	2.467	8/82	Forest Clearance is awaited. The scheme is included in the VII Plan.	Written Answers
2.	Kesho Res. Scheme	Nimadih Hazaribagh	603.24	3.400	4/82	—do—	
							106

1	2	3	4	5	6	7	107
3.	Remrekha Res. Scheme	Ramrekha Ranchi	1976.14	5.243	5/83	Forest Clearance is awaited. The scheme is included in the VII Plan.	Written Answers
4.	Dhausingtoli Res. Scheme	Kindarkelo Ranchi	637.99	2.456	4/82	—do—	
5.	Satpotka Res. Scheme	Satpotka Singhbhum	666.80	2.219	3/82	—do—	
6.	Bhairwa Res. Scheme	Hohad, Sothai Hazaribagh	631.72	4.472	11/80	—do—	APRIL 29, 1988
7.	Baski Irrgn. cum-Water Supply Scheme	Pandra Ranchi	1302.00	4.954	4/80	—do—	
8.	Katri Res. Scheme	Katri Ranchi	1198.00	5.04	7/82	—do—	
9.	Panchkhero Res. Scheme	Carban Giridih	921.21	3.24	5/87	Comments sent to the State Government are yet to be incorporated. The scheme is included in the VII Plan.	Written Answers 108

1	2	3	4	5	6	7	109
10.	Jhikia Res.	Palamau	761.96	2.40	6/87	Comments sent to the State Government are yet to be incorporated.	Written Answers
11.	Sarjamhathu Res.	Dhobadih Singhbhum	688.80	2.711	3/85	—do—	VAISAKHA 9, 1910 (SAKA)
12.	Kundghat Res.	Lochhaur Monoghyr	560.94	2.335	11/82	—do—	Written Answers
13.	Khudia Res.	Hirapur Dhanbad	507.71	4.735	7/82	—do—	110

### Suggestion of Assocham

8968. SHRI P.M. SAYEED: Will the Minister of COMMERCE be pleased to state:

(a) whether the Associated Chambers of Commerce and Industry (Assocham) have suggested training of supervisory technical and personnel both within and outside the country and special incentives for India merchandise; and

(b) if so, the details of training and development programme for increase in export of finished products including the fiscal incentives?

THE MINISTER OF STATE IN THE MINISTRY OF COMMERCE (SHRI P.R. DASMUNSI): (a) and (b). ASSOCHAM Organised a Workshop in October, 1987 on 'Doubling Exports by 1990' and Seven Working Groups were set up to deliberate in-depth upon crucial thrust sectors of exports which included : Processed Foods and Marine Products; Leather and Leather Manufactures; Electronic Goods and Computer Software; Readymade Garments; Project and Consultancy Services; Automobiles, Two and Three-Wheelers and Components; and Hotels and Tourism.

One of the participants in the Working Group of Leather and Leather Manufactures suggested that training of supervisory and technical personnel within and outside the country ought to be organised expeditiously

to avail of the buoyant export prospects. The Group that deliberated on Leather and Leather Manufactures did not discuss or indicate details of training and development programme nor details of special incentives that need to be provided for Indian branded merchandise.

[Translation]

### Seizure of Gold and American Dollars

8969. SHRI MADAN PANDEY: Will the Minister of FINANCE be pleased to state:

(a) whether it is a fact that recently gold and American dollars were hauled while being carried illegally in different parts of the country;

(b) if so, the quantity seized and the name of the places from where these were recovered; and

(c) the total number of persons arrested in the above incidents and the action taken against them?

THE MINISTER OF STATE IN THE DEPARTMENT OF REVENUE IN THE MINISTRY OF FINANCE (SHRI A.K. PANJA): (a) and (b). Reports received and seizures made indicate that gold and foreign currency including American dollars have been seized in different parts of the country recently. The quantity and value of gold and foreign currency including American dollars seized during January, February, and March, 1988 are given below:-

Year	(Value: Rs. in Lakhs)		
	Gold		Foreign currency
	Quantity (in Kgs.)	Value	Value
1988	901	3006	279

(Upto 31.3.88)  
(Provisional)

(c) 716 (provisional) persons were arrested throughout the country during January, February and March, 1988 for indulging in smuggling activities. Separate figures for arrests in respect of gold and American dollars alone are not maintained.

#### **Employment of N.T.C. Official in Elgin Mills**

8970. SHRI M.V. CHANDRASEKHARA MURTHY: Will the Minister of TEXTILES be pleased to state:

(a) whether it is a fact that the Elgin Mills Company Limited, Kanpur has taken on its employment recently some senior officers of the National Textiles Corporation Limited or its subsidiaries to frustrate the policy decision of Government after the Srinivasan Committee report; and

(b) if so the reasons therefor and the corrective steps taken by Government in the matter?

THE MINISTER OF TEXTILES (SHRI RAM NIWAS MIRDHA): (a) No, Sir.

(b) Does not arise.

#### **Irrigation Development in West Bengal**

8971. SHRI P. PENCHALLIAH: Will the Minister of WATER RESOURCES be pleased to state:

(a) the technical and institutional factors adopted in irrigation by Government of West Bengal; and

(b) the results achieved thereto?

THE MINISTER OF STATE IN THE MINISTRY OF WATER RESOURCES (SHRIMATI KRISHNA SAHI): (a) and (b). The information is being collected from the Government of West Bengal and will be laid on the Table of the House.

#### **Exemption of Import duty on Outboard and Inboard Motors**

8972. SHRI N. DENNIS: Will the Minister of FINANCE be pleased to state:

(a) whether there are proposals under the consideration of Government to provide exemption of import duty on outboard and inboard motors required in the traditional fisheries sector;

(b) if so, the details thereof; and

(c) if not, the reasons therefor?

THE MINISTER OF STATE IN THE DEPARTMENT OF REVENUE IN THE MINISTRY OF FINANCE (SHRI A.K. PANJA): (a) to (c). Government have received a number of representations seeking exemption from import duty on outboard and inboard motors. After due examination in consultation with the concerned administrative Ministry, a concessional rate of customs duty of 25% has been provided for outboard motors, when imported by the State Fisheries Corporation for fitment to boats used for fishing operations in the country. Necessary notifications in this regard have been issued on the 27th April, 1988.

#### **Import of Raw Cashewnuts**

8973. SHRI VAKKOM PURUSHOTHAMAN: Will the Minister of COMMERCE be pleased to state:

(a) the amount of raw cashewnuts imported during the last three years;

(b) whether import of raw cashewnuts during 1987-88 has decreased considerably; and

(c) if so, the reasons therefor?

THE MINISTER OF STATE IN THE

**MINISTRY OF COMMERCE (SHRI P.R. DAMSUNSI):** (a) The quantity and value of raw cashewnuts imported by India during the last three years are as follows:-

<i>Year</i>	<i>Quantity ( in tonnes</i>	<i>Value (in Rs. crores)</i>
1985-86	23310	25.88
1986-87	49045	69.46
1987-88 (estimated)	42159	67.13

(b) and (c). The fall in imports of raw cashewnuts during 1987-88 is mainly due to increased processing facilities in African countries and also fall in production in some cashew growing African countries.

#### **Rural Credit Plans**

8974. **SHRI H.N. NANJE GOWDA:** Will the Minister of FINANCE be pleased to state:

(a) whether Government contemplate introduction of viable rural credit plans by banks;

(b) whether the Reserve Bank of India proposes to exempt the deposits mobilised by the banks in rural areas from the purview of statutory liquidity ratio in order to release more resources for rural lending; and

(c) if so, the details thereof?

THE MINISTER OF STATE IN THE DEPARTMENT OF ECONOMIC AFFAIRS IN THE MINISTRY OF FINANCE (SHRI EDUARDO FALEIRO): (a) Reserve Bank of India (RBI) has issued guidelines, dated 14.3.1988 to the commercial banks and regional rural banks regarding the adoption of the service area concept in relation to rural credit system in the country. Under this, each bank branch in the rural and semi-

urban areas of the country will have a designated service area about 15 to 25 villages and credit plans would be prepared by banks branches for their respective service areas.

(b) There is no proposal under consideration for exempting deposits mobilised in rural areas from the purview of statutory liquidity ratio.

(c) Does not arise.

#### **Joint Meetings in Syndicate Bank with Recognised Trade Union Associations**

8975. **SHRI BHADRESWAR TANTI:** Will the Minister of FINANCE be pleased to state:

(a) whether SC/ST representatives were not included in recent joint meetings with recognised trade union associations in Syndicate Bank; and

(b) if so, the reasons therefor?

THE MINISTER OF STATE IN THE DEPARTMENT OF ECONOMIC AFFAIRS IN THE MINISTRY OF FINANCE (SHRI EDUARDO FALEIRO): (a) and (b). Syndicate Bank has reported that it had associated either a representative of the Scheduled Caste/Scheduled Tribe or the Liaison Officer in the Bank for Scheduled Caste/Scheduled Tribe with the joint meetings held by it with the recognised "Syndicate bank Employees Union", during 1987 and January 1988.

#### **DFI assistance to Industrial Institutions**

8976. **SHRI JITENDRA PRASADA:** Will the Minister of FINANCE be pleased to state:

(a) whether the attention of Government has been drawn to the newsitem captioned 'DFI assistance totals Rs. 29,000

crores' appearing in the 'Hindustan Times' 6 March, 1988;

(b) if so, State-wise break-up of the assistance given to the industrial units during the last five year; and

(c) the steps taken to remove the disparity, if any, in sanctioning of such assistance?

THE MINISTER OF STATE IN THE DEPARTMENT OF ECONOMIC AFFAIRS IN THE MINISTRY OF FINANCE (SHRI EDUARDO FALEIRO): (a) Yes, Sir.

(b) and (c). Available data relating to State-wise details of assistance disbursed

by All Financial Institutions during the last 5 years & cumulative upto and March 1987 are given in the statement below.

Assistance from financial institutions depends upon the number of applications for viable originating from different States and, inter-alia, locational decisions of entrepreneurs. Locational decisions of entrepreneurs in turn depend upon factors which include easy availability raw materials and skilled labour, power and other infrastructural facilities and proximity to markets.

With a view to encouraging industrialisation in specified backward area, institutions provide financial assistance on concessional terms to units set up in the industrially backward areas.



## STATEMENT

*State-wise details of assistance disbursed by All Financial Institutions during the last five years and cumulative upto end March, 1987*

(Rs. crore)

		<u>Disbursements</u>											
		1982-83		1983-84		1984-85		1985-86		1986-87		Cumulative upto end March 1987	
		B	T	B	T	B	T	B	T	B	T	B	T
		1	2	3	4	5	6	7	8	9	10	11	12
1.	Andhra Pradesh	21.46	218.32	137.10	241.23	166.08	315.92	202.47	386.98	195.14	413.66	1233.33	2243.27
2.	Arunachal Pradesh	0.70	0.70	1.38	1.38	1.76	1.76	1.92	1.92	1.50	1.50	9.64	9.64
3.	Assam	11.11	12.03	12.28	12.28	30.58	32.06	48.16	48.10	47.96	48.91	262.68	263.65
4.	Bihar	20.24	58.20	21.70	80.75	19.86	68.86	31.87	78.43	43.82	136.81	227.36	768.21
5.	Goa	26.54	26.54	25.07	25.07	23.51	23.51	25.40	25.40	27.23	27.23	271.35	271.35
6.	Gujarat	111.60	279.68	92.52	289.95	135.66	315.14	191.52	560.06	257.47	747.09	1303.53	3560.33
7.	Haryana	16.05	62.40	21.09	77.17	48.56	128.39	32.90	101.36	43.63	135.52	260.39	782.64
8.	Himachal Pradesh	24.62	27.75	30.32	30.34	36.52	39.84	64.50	64.50	58.60	58.70	277.81	277.91

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		1	2	3	4	5	6	7	8	9	10	11	12	
9.	Jammu & Kashmir	23.45	23.77	25.18	25.18	31.44	31.44	33.06	33.06	46.13	46.13	240.47	240.47	121 Written Answers VAISAKHA 9, 1910 (SAKA)
10.	Karnataka	87.66	166.96	121.98	237.43	128.39	327.98	104.13	410.47	141.54	352.00	984.72	2272.59	
11.	Kerala	17.58	64.23	17.75	66.05	34.87	99.09	44.52	102.91	57.72	124.08	299.94	791.84	
12.	Madhya Pradesh	56.68	93.78	68.01	145.54	118.80	199.09	216.86	310.28	175.72	271.03	834.76	1323.77	
13.	Maharashtra	107.67	409.56	88.94	460.41	90.74	551.19	169.29	758.89	161.49	861.19	1045.15	5250.57	
14.	Manipur	1.53	1.53	0.80	0.80	0.29	0.29	2.16	2.16	4.71	4.71	9.42	9.42	
15.	Meghalaya	2.67	2.67	3.26	3.26	3.65	3.65	9.74	9.74	4.70	4.70	25.69	25.69	
16.	Mizoram	0.18	0.18	1.01	1.01	1.48	1.48	4.02	4.02	3.54	3.54	10.64	10.64	
17.	Nagaland	2.21	2.21	1.00	1.00	2.36	2.36	3.91	3.91	3.50	3.50	18.42	18.42	
18.	Orissa	36.77	93.72	33.17	95.64	41.92	105.19	88.49	162.90	65.00	170.43	347.65	868.16	122 Written Answers
19.	Punjab	34.80	91.97	29.99	119.44	44.44	104.71	41.66	109.13	58.76	164.82	375.18	922.05	
20.	Rajasthan	107.43	138.66	104.42	169.68	73.59	145.90	106.47	176.45	106.23	247.40	718.08	1295.65	
21.	Sikkim	0.37	0.37	0.87	0.87	2.00	2.00	2.96	2.96	5.50	5.50	12.56	12.56	
22.	Tamil Nadu	109.78	217.48	199.05	345.58	158.71	361.76	121.44	460.13	113.90	482.22	1300.44	2879.72	

	1	2	3	4	5	6	7	8	9	10	11	12
23. Tripura	3.19	3.19	1.14	1.14	0.48	0.48	1.27	1.27	2.48	2.48	14.29	14.29
24. Uttar Pradesh	80.92	168.36	122.95	212.97	128.71	301.48	279.95	469.22	377.03	633.26	1279.11	2538.91
25. West Bengal	58.08	136.28	56.38	169.06	64.08	197.04	57.91	227.25	144.04	309.29	612.06	1825.70
26. Union Territories	9.71	64.73	15.58	72.07	25.70	81.97	20.70	145.99	38.44	143.01	137.60	675.69
<b>TOTAL</b>	<b>1078.38</b>	<b>2355.26</b>	<b>1232.94</b>	<b>2885.39<sup>@</sup></b>	<b>1414.18</b>	<b>3442.58</b>	<b>1907.28</b>	<b>4657.53</b>	<b>2155.78</b>	<b>5398.71</b>	<b>12112.27</b>	<b>29153.43<sup>@@</sup></b>

@ Including assistance of Rs. 9 lakh disbursed by IDBI to Bhutan.

@@ Including assistance of Rs. 29 lakhs disbursed by IDBI to Bhutan.

• B: Backward Areas

T: Total

### Japanese Aid

8978. SHRI S.B. SIDNAL SHRI G.S. BASAVARAJU:

Will the Minister of FINANCE be pleased to state:

(a) whether Japan has agreed to provide developmental and commodity aid to India during 1988 for various public and private sector projects;

(b) if so, the total aid Japan has agreed to provide; and

(c) the projects that will be undertaken under this scheme?

THE MINISTER OF STATE IN THE DEPARTMENT OF ECONOMIC AFFAIRS IN THE MINISTRY OF FINANCE (SHRI EDUARDO FALEIRO): (a) to (c). Japanese bilateral assistance to India is extended on an annual basis and is pledged at the Aid India Consortium Meeting which is generally held in Paris in the month of June each year.

Negotiations with the Government of Japan and the Overseas Economic Co-Operation Fund of Japan (which is the official funding agency) are underway to finalise the project proposals for Japanese assistance in 1988. The amount of assistance and the list of project will be finalised by the time of the Aid India Consortium Meeting in Paris in June, 1988.

### Study on Japanese Capital Flow to India

8979. SHRIMATI BASAVARAJESWARI: Will the Minister of FINANCE be pleased to state:

(a) whether India and Japan have constituted a committee to study ways to stimulate Japanese capital flow to India:

(b) if so, whether any agreement in this regard has been reached;

(c) if so, the time by which the Committee is likely to submit its reports; and

(d) the efforts being taken to increase the flow of the Japanese capital in India?

THE MINISTER OF STATE IN THE DEPARTMENT OF ECONOMIC AFFAIRS IN THE MINISTRY OF FINANCE (SHRI EDUARDO FALEIRO): (a) to (d). Some groups like the India-Japan Study Committee and India-Japan Business Co-operation Committee already exist. In addition, and following the visit to India in January, 1988 of a Japanese Investment Environment Survey Mission, a small Committee of officials has been set up in Ministry of Finance to ensure better co-ordination among Ministries on matters relating to Indo-Japanese economic and technical co-operation and to interact where necessary with Japanese business and industry to ascertain and smooth out procedural or other problems. Some of the other efforts to increase the flow of Japanese Capital in India include dissemination of information on investment opportunities in India through Indian Investment Centre and visiting delegations, continuous streamlining of procedures and faster clearance of investment proposals.

### Alleged Misuse of Official Capacity by an Official of Karol Bagh Branch of SBI

8990. SHRI VIR SEN: Will the Minister of FINANCE be pleased to state:

(a) whether it is a fact that wife of an official in State bank of India, Ajmal Khan Road, Karol Bagh, New Delhi is an agent of Unit Trust of India and other companies;

(b) whether it is also a fact that the official is misusing his official capacity in violation of conduct rules to get his wife

business from borrowers/cash credit parties of the above branch; and

(c) if so, the total amount of business procured by the said official for his wife and the amount of commission his wife got in such transactions during the last three years?

THE MINISTER OF STATE IN THE DEPARTMENT OF ECONOMIC AFFAIRS IN THE MINISTRY OF FINANCE (SHRI EDUARDO FALEIRO): (a) to (c). State Bank of India has reported that the Manager (SBI) of its Ajmal Khan Road Branch had, as required under the SBI (Supervising Staff) Service Rules, informed the bank in December 1987 that his wife was allotted commission agencies in respect of Unit Trust of India/National Savings Certificate/Public Provident Fund during September '87, November '87 and December '87 respectively. The Bank has further reported that it has neither received complaints from any quarter, including borrowers/cash credit parties that the officer is misusing his official position nor is there anything to substantiate that the officer has violated or committed breach of Bank's Service/Conduct Rules.

#### **Expenditure Incurred on Command Area Development Programme**

8981. SHRI GOPAL K. TANDEL: Will the Minister of WATER RESOURCES be pleased to state:

(a) the number of Command Area Development (CAD) projects and expenditure incurred thereon since the beginning of the Fifth Plan in State and Central Sectors, Project-wise, Plan-wise and State-wise;

(b) the additional irrigated area brought under utilisation under the said Programme Projects, Plan-wise and State-wise;

(c) whether adequate monitoring for satisfactory performance of CAD projects is done by Union Government before the Central funds are released every year for such projects; and

(d) if not, whether there is any system for the realistic evaluation of performance of all such centrally sponsored C.A.D. projects?

THE MINISTER OF STATE IN THE MINISTRY OF WATER RESOURCES (SHRIMATI KRISHNA SAHL): (a) State-wise, Plan-wise details of the number of Projects under the centrally sponsored CAD programme are given in Statement-I below. State-wise, plan-wise details of expenditure incurred in the State and Central Sectors under the CAD programme since the beginning of the 5th Plan, are given in statement-II below.

(b) State-wise and Plan-wise details of utilisation of irrigation potential for projects covered in the CAD programme, are given in statement-III below.

(c) and (d). Central assistance for CAD programme is released to State twice a year on selected activity. A detailed examination is done at the time of release of assistance on the basis of statements submitted by the States giving progress of expenditure and physical achievements. Besides, progress of the programme is reviewed during Annual Plan discussions held in the Planning Commission. An in-depth evaluation of the CAD programme has also been carried out by IIM, Ahmedabad at the instance of the Ministry of Water Resources. Findings of the IIM study were considered at a National Workshop held in Delhi in Feb., 1988. The recommendation of the Workshop, have been commended to State Governments for action.

**STATEMENT—I**

*State-wise and planwise details of number of Projects taken up Under Centrally Sponsored cad programme*

S. No.	Name of State	Total Number of Projects		
		End of Vth Plan (1977-78)	End of Annual (1979-80)	End of VIth Plan (1984-85)
1	2	3	4	5
1.	Andhra Pradesh	5	5	8
2.	Assam	1	1	3
3	Bihar	6	6	6
4.	Goa	-	1	1
5.	Gujarat	3	3	11
6.	Haryana	4	4	4
7	Himachal Pradesh	-	-	1
8.	Jammu & Kashmir	1	2	6
9.	Karnataka	5	5	5
10.	Kerala	3	10	10
11.	Madhya Pradesh	7	7	9
12.	Manipur	1	1	2
13.	Maharashtra	9	16	17
14.	Orissa	3	3	3
15.	Rajasthan	3	3	4
16.	Tamil Nadu	3	3	5

131	Written Answers	APRIL 29, 1988	Written Answers	132
1	2	3	4	5
17.	Uttar Pradesh	3	3	3
18.	West Bengal	3	3	4
Total		60	76	102

**STATEMENT-II**

*State-wise and Plan-wise details of expenditure of CAD Programme*

*(Rs. in lakhs)*

S. No.	Name of State	Expenditure during Vth Plan (1974-78)		Annual Plans (1978-80)		VIth Plan (1980-85)	
		Central Share	State Share	Central Share	State Share	Central Share	State Share
1	2	3	4	5	6	7	8
1.	Andhra Pradesh	543.23	668.00	514.38	1070.00	1894.94	4594.31
2.	Assam	10.00	7 00	21.52	46.00	86.95	145.10
3.	Bihar	912.66	383.00	1128.95	166.00	1823.09	1919.58
4.	Dadra & Nagar Haveli	—	—	—	—	—	70.53
5.	Goa	—	—	—	—	33.25	48.77
6.	Gujarat	940.63	184 00	422.88	92.00	1805.02	1451.38
7.	Haryana	64.21	109.00	62.18	49.00	492.82	7268.00
8.	Himachal Pradesh	—	—	—	—	22.88	27.58
9.	Jammu & Kashmir	19.08	36.00	27.29	158.00	166.01	613.38
10.	Karnataka	452.88	451.00	505.14	485.00	1592.12	3469.29



1	2	3	4	5	6	7	8
11.	Kerala	5.99	—	127.76	20.00	241.70	242.91
12.	Madhya Pradesh	595.02	2071.00	230.13	947.00	2210.44	9136.20
13.	Maharashtra	661.91	1964.00	424.89	893.00	2229.18	7939.61
14.	Manipur	1.00	3.00	2.50	2.00	47.50	64.08
15.	Orissa	83.74	181.00	157.44	607.00	956.88	927.51
16.	Punjab	—	—	—	—	—	3397.00
17.	Rajasthan	839.40	733.00	1016.40	835.00	3297.85	6901.73
18.	Tamil Nadu	1.50	93.00	—	76.00	699.71	595.82
19.	Uttar Pradesh	1378.63	3387.00	2123.35	1269.00	7813.42	7384.35
20.	West Bengal	144.42	612.00	266.38	209.00	264.86	390.94
	Evaluation Studies	1.50	—	3.92	—	11.64	—
	TOTAL	6655.80	10882.00	7035.11	6924.00	25690.26	56588.07

### STATEMENT-III

Statewise/Planwise utilisation of irrigation potential under the CAD projects

\*(in 000' ha.)

S. No.	State	Utilisation before the initiation of CAD Programme (1973-74)		Utilisation at the end of Vth Plan (1977-78)		Utilisation at the end of Annual Plans (1979-80)		Utilisation at the end of VI Plan (1984-85)	
		No. of Projects	Potential utilised	No. of Projects	Potential utilised	No. of Projects	Potential utilised	No. of Projects	Potential utilised
1	2	3	4	5	6	7	8	9	10
1.	Andhra Pradesh	5	568	5	650	5	583	8	1022
2.	Assam	1	12	1	19	1	30	3	60
3.	Bihar	6	534	6	781	6	1175	6	1515
4.	Goa	—	—	—	—	1	—	1	—
5.	Gujarat	3	208	3	267	3	282	11	504
6.	Haryana	4	26	4	33	4	34	4	44
7.	Himachal Pradesh	—	—	—	—	—	—	1	3
8.	Jammu & Kashmir	1	1	1	4	2	6	6	17
9.	Karnataka	5	340	5	562	5	510	5	669

1	2	3	4	5	6	7	8	9	10	139
10.	Kerala	3	70	3	110	10	70	10	147	Written Answers
11.	Madhya Pradesh	7	214	7	317	7	582	9	697	
12.	Maharashtra	9	80	9	194	16	192	17	185	
13.	Manipur	1	—	1	—	1	—	2	20	
14.	Orissa	3	625	3	770	3	844	3	824	APRIL 29, 1988
15.	Rajasthan	3	920	3	1007	3	1159	4	1174	
16.	Tamil Nadu	3	570	3	570	3	570	5	781	
17.	Uttar Pradesh	3	223	3	995	3	1097	3	2063	
18.	West Bengal	3	719	3	837	3	778	4	788	
TOTAL		60	5110	60	7116	76	7912	102	10513	

Note: Utilisation varies from year to year depending upon (i) availability of water (ii) choice of crops and (iii) infrastructure

**N.T.C. To Take Over Management of Swadeshi Polytex Ltd**

8982. SHRI ATISH CHANDRA SINHA:

SHRI M.V. CHANDRASEKHARA MURTHY:

SHRI V. SREENIWASA PRASAD:

Will the Minister of TEXTILES be pleased to state:

(a) whether it is a fact that National Textile Corporation Ltd. has taken over the management of Swadeshi Polytex Ltd., Ghaziabad;

(b) if so, the reasons therefor; and

(c) the details of terms under which the management has been taken over?

THE MINISTER OF TEXTILES (SHRI RAM NIWAS MIRDHA): (a) to (c). No, Sir. Govt./NTC has not taken-over the management of Swadeshi Polytex Ltd. However, 34% of the total share holding stands vested in the Govt./NTC as a result of operation of the Supreme Court judgement, dated 12.2.88.

**Agricultural loans sanctioned in Maharashtra**

8983. SHRI PRAKASH V. PATIL: Will the Minister of FINANCE be pleased to state:

(a) the amount of agricultural loans sanctioned by the nationalised banks in Maharashtra during the last three years, year-wise;

(b) whether this fully meets the projected demand of the agriculture and if so, shortfall in supply of loan in each year;

(c) whether Government have apart

from rescheduling the loan repayment period, made any survey to find out whether the farmers' capacity to repay has been lost completely due to repeated drought and if so, how many such farmers are there in Maharashtra; and

(d) whether in their case the loans are proposed to be written off completely?

THE MINISTER OF STATE IN THE DEPARTMENT OF ECONOMIC AFFAIRS IN THE MINISTRY OF FINANCE (SHRI EDUARDO FALEIRO): (a) The balance outstanding in respect of agricultural loans sanctioned by the public sector banks in Maharashtra for the years ending December, 1984, 1985 and 1986 (latest available) are given below:

<i>Year ended</i>	<i>Balance outstanding</i>
<i>(Rs. in lakhs)</i>	
December, 1984	69941
December, 1985	82316
December, 1986	98479

(b) Banks are required to meet the genuine credit needs of the agriculturists. Data on targets and achievements relating to agricultural loans by all banks in Maharashtra under the Annual Action Plans (AAPs) 1984 to 1986 indicated below, show that achievements have been exceeding the targets fixed during the last three years.

<i>Annual Action Plan</i>	<i>Target</i>	<i>Achievements</i>
<i>(Rs. in crores)</i>		
AAP, 1984	537	547
AAP, 1985	597	607
AAP, 1986	646	751

(c) Reserve Bank of India (RBI) has issued detailed guidelines to the commercial banks for providing credit assistance, to the persons affected by drought, for raising alternative crops or fodder, production of seeds, minor irrigation purposes, to set up fair price shops and for general purpose consumption loans to small and marginal farmers and other weaker section upto Rs. 500/-. The guidelines also envisage conversion of short term loans into medium term loans and rescheduling of existing term loans. Further, in areas affected by drought successively for three years or more, banks have been advised to defer recovery of the amount fallen due on account of principal as well as interest in the current year (July 87—June 88) for a period of two years or till the next normal year, whichever is earlier. A Statement indicating details of assistance

extended as at the end of November, 1987 to farmers affected by drought in the State of Maharashtra is given below.

(d) The consistent stand of Government of India and RBI has been that generalised waiver or write off of loans affects the requisites financial discipline of the borrowers and vitiates the recovery climate. Such measures also build up expectations on the part of the borrowers that loan instalments due for repayment in future could also be similarly waived and consequently their inclination to repay the loans gets weakened. There is, therefore, no proposal to resort to generalised write off of bank loans. Banks would however, provide appropriate relief to the affected farmers, on merits, in accordance with the guidelines of RBI in this regard.

### STATEMENT

*Position of Bank Assistance to Persons Affected by drought as at the end of November 1987*

*Maharashtra State*

*(Rs. in lakhs)*

	No. of Accounts	Amount
1	2	3
1. Conversion of short-term loans into medium-term loans	7818	262.18
2. Fresh crop loan sanctioned	6992	278.68
3. Rescheduling/Rephasement of term loans	6783	360.73
4. Term loans sanctioned for minor irrigation including percolation tanks, pumpsets, deepening of wells, etc.	3340	350.92

	1	2	3
5.      Deferment of recovery of principal and interest for a period of two years/till next normal year if it occurs earlier in the case of farmers affected by drought for 3 or more years		1381	447.25
6.      Loans sanctioned for fair price shops dealing in essential commodities		148	9.80
7.      Loans sanctioned for consumption purposes		615	6.09
<b>TOTAL</b>		<b>27577</b>	<b>1715.65</b>

**Complaints Against Officials of Oriental Insurance Co.Ltd.**

8984.    SHRI CHHITUBHAI GAMIT:  
             SHRI UTTAMBHAI H.PATEL:  
             SHRIMATI PATEL RAMABEN  
             RAMJIBHAI MAVANI.

Will the Minister of FINANCE be pleased to state:

(a) whether the Asstt. General Manager, other officials and Regional Manager, Delhi of the Oriental Insurance Co. Ltd. N.R.O. and Delhi Regional Office have received letters and joint representations from the staff and the unions/association/federations of the staff and officers of the Oriental Insurance Co. Ltd. regarding humiliating behaviour and threatening of some officials during 1 January, 1986 to 29 February, 1988;

(b) if so, the details thereof and the action taken thereon;

(c) the outcome thereof; and

(d) the action taken against the officials so as to reduce and overcome the grievances, complaints and difficulties of the staff?

THE MINISTER OF STATE IN THE DEPARTMENT OF ECONOMIC AFFAIRS IN THE MINISTRY OF FINANCE (SHRI EDUARDO FALEIRO): (a) to (d). Yes, Sir. Two joint representations dated 15th September, 1987 and 21st September, 1987, were received from some development and administrative staff of a Division under the Northern Regional Office of the Oriental Insurance Co.Ltd., New Delhi, about the behaviour of Officer Incharge of their Divisional Office. It has been reported that the Officer-Incharge has shown satisfactory all-round progress during his tenure by registering substantial growth in business and also by taking appropriate steps in bringing down the claims ratio. He was transferred to another Divisional Office in the city as per the

policy of job rotation of the company. No complaint has been received after this changeover.

### **Experts Committee to review Textile Policy**

8985. SHRI SHARAD DIGHE: Will the Minister of TEXTILES be pleased to state:

(a) whether Union Government have set up an experts' committee to review the working of the textile policy over the past two years; and

(b) if so, the names of the members of the committee, its term of reference and the time within which it will submit its report?

THE MINISTER OF TEXTILES (SHRI RAM NIWAS MIRDHA): (a) and (b). Government have decided to appoint such a Committee but the committee has not yet been set up.

### **Frauds in Yashwant Niwas Road Branch of State Bank of Indore**

8986. SHRI MANVENDRA SINGH: Will the Minister of FINANCE be pleased to state:

(a) whether irregularities/frauds committed in giving loans etc. by the Yeshwant Niwas Road Branch (Indore) of state Bank of Indore, have come to light during the month of May, 1987;

(b) if so, the details thereof and the amount involved therein;

(c) the number of officers found guilty; and

(d) the action taken against them and the present position of the case?

THE MINISTER OF STATE IN THE

DEPARTMENT OF ECONOMIC AFFAIRS IN THE MINISTRY OF FINANCE (SHRI EDUARDO FALEIRO): (a) to (d). State Bank of Indore has reported that a fraud involving Rs. 2.03 lakhs (approximately) was perpetrated at the Yashwant Niwas Road, Indore (Indore branch) during the month of May 1987 through a current deposit Account, which was opened in a fictitious name. The Bank has reported that in this connection, C.B.I. have registered a case for investigation.

The Bank has further reported that in connection with this case, one officer and four employees had been placed under suspension. Subsequently punishment under the relevant Discipline and Appeal Regulations have been inflicted on the officer and one employee. Disciplinary proceedings against the remaining three employees have also been initiated.

(Translation)

### **Representation From Rajasthan on Share of Water from Ganga-Yamuna Rivers**

8987. SHRI VIRDHI CHANDER JAIN: Will the Minister of WATER RESOURCES be pleased to state:

(a) the details of the memorandum and representations submitted by the Rajasthan Government to Union Government to get their share of water in Ganga-Yamuna rivers;

(b) the dates on which meetings of the concerned departments, Central Water Commission and Planning Commission were held by Union Government and the decisions taken therein;

(c) whether it is a fact that Rajasthan Government has not yet received any active cooperation of Union Government; and

(d) if so, the time by which Government will take decision on this important issue to resolve the acute problem of Rajasthan?

THE MINISTER OF STATE IN THE MINISTRY OF WATER RESOURCES (SHRIMATI KRISHNA SAHL): (a) to (d). The Committees set up to determine share of Yamuna waters and possibility of diversion of surplus Ganga flood waters could not arrive at a consensus.

#### **Nationalised Banks in Bihar**

8988. SHRI RAM DHAN:  
SHRI BALWANT SINGH  
RAMOOWALIA:

Will the Minister of FINANCE be pleased to state:

(a) whether the attention of Government has been drawn to the new-item captioned "Commercial banks under fire" appearing in the Times of India of 21 December, 1987;

(b) if so, the facts in this regard; and

(c) the effective remedial measures taken/proposed to be taken by Government in this regard?

THE MINISTER OF STATE IN THE DEPARTMENT OF ECONOMIC AFFAIRS IN THE MINISTRY OF FINANCE (SHRI EDUARDO FALEIRO): (a) to (c). Information is being collected and will be laid on the Table of the House to the extent possible.

[English]

#### **Modernisation and Diversification of NTC Mills**

8989. SHRIMATI JAYANTI PATNAIK: Will the Minister of TEXTILES be pleased to state:

(a) whether the National Textile Corporation has taken steps for the modernisation and diversification of its mills;

(b) if so, the assistance extended by Union Government to the National Textile Corporation to implement its modernisation and diversification programme; and

(c) the details of the modernisation and diversification programme drawn up by NTC?

THE MINISTER OF TEXTILES (SHRI RAM NIWAS MIRDHA): (a) Yes, Sir.

(b) The Planning Commission has approved an outlay of Rs. 117 crores for modernisation and labour rationalisation schemes of NTC during the 7th Plan period. The Government have so far released Rs. 73 crores to NTC.

(c) NTC has drawn up programmes for modernisation on selective basis.

(Translation)

#### **Suspension of Officers Involved in Malpractices in Chandni Chowk, Delhi Branch of State Bank of Indore**

8990. SHRI RAJ KUMAR RAI: Will the Minister of FINANCE be pleased to state:

(a) the number and particulars of the officers found involved in the malpractices in the Chandni Chowk, Delhi branch of the State Bank of Indore in respect of whom suspension orders were issued by the head office of the State Bank of Indore, Indore on 2 September, 1983;

(b) whether bank management had served these orders to all the officers;

(c) if not, the reasons therefor;



(d) whether it is also a fact that main culprits escaped; and

(e) if so, the particulars of such officers and whether they had collusion with the senior officers?

THE MINISTER OF STATE IN THE DEPARTMENT OF ECONOMIC AFFAIRS IN THE MINISTRY OF FINANCE (SHRI EDUARDO FALEIRO): (a) to (c). State Bank of Indore has reported that in connection with a case of malpractice at its Chandni Chowk, Delhi Branch, orders were issued on 2.9.83 suspending the then Branch Manager and the Accountant. The Bank has further reported that whilst the suspension order was served on the Branch Manager, the service of the suspension order on the Accountant was deferred pending scrutiny of his explanation. State Bank of Indore has further reported that since the concerned Branch Manager, the Accountant and the Assistant Accountant of the Branch were found responsible for procedural irregularities departmental proceedings were initiated against them. The Branch Manager has been removed from the Bank's service, following a review of this case and his involvement in another case. Action has also been taken against the Accountant and the Assistant Accountant.

Cases of irregularities, malpractices etc. relating to Chandni Chowk, Delhi Branch of State Bank of Indore have been referred to the C.B.I. for examination as to whether these cases could be taken up for investigation by C.B.I.

(d) State Bank of Indore has reported that it is not correct that the main culprits escaped punishment.

(e) Does not arise in view of the reply to (d) above.

(English)

### Loans for Purchase of Buses

8991. SHRI BANWARI LAL BAIRWA: Will the Minister of FINANCE be pleased to state:

(a) whether Directorate of Transport, Delhi Administration, Delhi vide letters No. 5022(10)/TPT-78/2522-23 dated March 2, 1978 and March 8, 1979 recommended the names of 37 persons belonging to Scheduled Caste communities for sanction of 80 per cent loan/ assistance for purchase of buses to State Bank of India, Chandni Chowk, Delhi;

(b) the particulars of the persons to whom 80 per cent loan/assistance was sanctioned by the State Bank of India in 1978 for purchase of buses;

(c) the particulars of persons to whom loan/assistance has actually been given ;

(d) the particulars of those to whom this loan/assistance has no so far been given.

(e) whether some persons have been approaching State Bank of India for releasing this loan/assistance; and

(f) the action proposed to be taken by Government to release the loan/assistance?

THE MINISTER OF STATE IN THE DEPARTMENT OF ECONOMIC AFFAIRS IN THE MINISTRY OF FINANCE (SHRI EDUARDO FALEIRO): (a) Yes, Sir.

(b) to (d). The loan assistance was provided in the case of 28 out of 37 persons belonging to Scheduled Caste communities to whom loan was recommended by the Directorate of Transport for purchase of

buses. However, in accordance with the statutes governing the nationalisation of banks and in accordance with the practices and usages customary among the the bankers, the information relating to individual constituents cannot be divulged.

(e) No, Sir.

(f) Does not arise.

[*Translation*]

### **Unemployment Due to Modernisation of Textile Mills**

8992. DR. CHANDRA SHEKHAR TRIPATHI: Will the Minister of TEXTILES be pleased to state:

(a) whether Government propose to implement any special scheme for the modernisation of textiles mills in the country;

(b) if so, the outlines thereof and whether cloth will be made available to the public at cheaper rates as a result thereof;

(c) if not, the measures being adopted by Government thereon; and

(d) whether it is also a fact that the modernisation of Textile mills will lead to more unemployment; if so, the safeguards contemplated in that regard?

THE MINISTER OF TEXTILES (SHRI RAM NIWAS MIRDHA): (a) A Textile Modernisation Fund has been set up under the aegis of the Industrial Development Bank of India to meet the modernisation needs of textile mills.

(b) The Fund has a corpus of Rs. 750.00 crores to be utilised over five years and it seeks to assist the specific needs for modernisation of both healthy units and weak but viable units. It cannot be said that

modernisation alone will lead to availability of cheaper cloth because the price of cloth is dependent on various factors like the cost of raw material, other inputs, etc.

(c) Among other things, the question of cheap cloth has been increased. The Government have asked the private sector textile mill industry to ensure that duty reliefs announced in the Budget for 1988-89 reach the consumer. NTC mills and handloom organisations have also been entrusted to produce blended fabrics from duty free/concessional duty fibre/yarn.

(d) In the long run, modernisation is essential if the mills are to become viable and the long term interests of the workers, like employment, are to be protected. Moreover, modernisation does not necessarily imply retrenchment in every case.

[*English*]

### **Opening of Bank Branches in Gujarat**

8993. SHRI DAULATSINHJI JADEJA: Will the Minister of FINANCE be pleased to state:

(a) the number of new branches of nationalised banks proposed to be opened in Gujarat in 1988;

(b) the number of such branches proposed to be opened in Jamnagar district in Gujarat; and

(c) the details of locations in Jamnagar district where such new branches are proposed to be opened?

THE MINISTER OF STATE IN THE DEPARTMENT OF ECONOMIC AFFAIRS IN THE MINISTRY OF FINANCE (SHRI EDUARDO FALEIRO): (a) Reserve Bank of India (RBI) has reported that on the basis of list of identified centres received from the

State Government of Gujarat, 238 eligible centres have been allotted to banks for opening branches in the rural and semi-urban areas under the current Branch Licensing Policy for 1985-90. In addition, RBI has allotted 36 centres to banks for opening branches at urban/metropolitan centres.

(b) and (c). RBI has allotted one rural and three urban centres to banks for opening branches in Jamnagar District of Gujarat under the current Branch Licensing Policy, as per details given below:-

- (1) Motikhavdi
- (2) Jamnagar - Insvalsara
- (3) Jamnagar - Ranjit Sagar Road
- (4) Jamnagar - Patel Colony

#### **Multilateral Lending programme**

8994. SHRIMATI MADHUREE SINGH:  
DR. G.S. RAJHANS:

Will the Minister of FINANCE be pleased to state:

(a) whether the level and structure of multilateral lending programme has undergone a significant change in the past few years;

(b) whether in the graduation formulae of the multilateral lending agencies, India's share of soft loans has been coming down;

(c) if so, whether the bilateral lending programme is proposed to be suitably adjusted to mitigate the transitional difficulties; and

(d) what are the long term structural re-adjustments which are conceived in this area?

THE MINISTER OF STATE IN THE DEPARTMENT OF ECONOMIC AFFAIRS IN THE MINISTRY OF FINANCE (SHRI EDUARDO FALEIRO): (a) to (d). While India's access to concessional resources, specifically IDA, measured as a proportion of such lending to all countries, has declined in recent years, the volume of overall commitments, including both concessional and non-concessional assistance to India has maintained a rising trend.

[Translation]

#### **Trade Fair Centres in States**

8995. SHRI SARFARAZ AHMAD:  
SHRI VILAS MUTTEM-  
WAR:

Will the Minister of COMMERCE be pleased to state:

(a) whether it is a fact that the trade fairs held in Delhi do not fulfil the objective of organising them;

(b) if so, whether Government propose to set up trade fair centres in the States also; and

(c) the expenditure likely to be incurred on them?

THE MINISTER OF STATE IN THE MINISTRY OF COMMERCE (SHRI P.R. DAS MUNSI): (a) No, Sir.

(b) and (c). Some of the State Govts have shown interest in setting up exhibition complexes in their Capitals. At this stage, it is difficult to indicate the expenditure likely to be incurred on them because the State Governments have not yet finalised their project proposals.

[English]

**Implementation of Central Pay Scale for Tripura State Employees and Teachers**

8996. SHRI AJOY BISWAS: Will the Minister of FINANCE be pleased to state;

(a) whether Government of Tripura have requested for Central assistance to meet the cost of revision of pay scales of its employees and teachers on the pattern of Central pay scales;

(b) if so, the details thereof; and

(c) the reaction of Government of India thereof?

THE MINISTER OF STATE IN THE DEPARTMENT OF EXPENDITURE IN THE MINISTRY OF FINANCE (SHRI B.K. GADHVI): (a) and (b). Chief Minister, Tripura has requested Central assistance for meeting the cost of revision of pay scales of its employees by granting Central Government pay scales to State Government employees. The annual financial liability on this account would be of the order of Rs. 40 crores.

(c) The revision of pay scales of State

employees is a subject that falls within the State's own jurisdiction. State Govts. are competent to revise the pay scales of their employees keeping in view available resources to meet the cost on account of such revision.

[Translation]

**Raids on Big Industrial Houses**

8997. SHRI RAM PUJAN PATEL: Will the Minister of FINANCE be pleased to state:

(a) the names of big industrial houses and magnates whose premises were raided by the Directorate of Enforcement during the last one year;

(b) the details of irregularities detected during these raids conducted on the premises of such people; and

(c) the action taken against the people found guilty?

THE MINISTER OF STATE IN THE DEPARTMENT OF ECONOMIC AFFAIRS IN THE MINISTRY OF FINANCE (SHRI EDUARDO FALEIRO): (a) to (c). During 1987, the Directorate of Enforcement (FERA) had searched the following Industrial Houses:-

<i>Name of Industrial House searched</i>	<i>Date of search</i>	<i>Details of violations of FERA and present position</i>
1	2	3
1. M/s.Jhalani Tools India Pvt.Ltd., Delhi.	3.6.87	Investigations are in progress in respect of non-repatriation of export proceeds.
2. M/s.Anatronics General Corporation Pvt.Ltd., Delhi	5.6.87	Investigations are in progress in respect of non-repatriation of commission earned abroad.

1	2	3
3. M/s. Jindal Pipes Ltd., Delhi (Jindal Group).	29.6.87	The investigations did not indicate any FERA violation.
4. M/s. Bangur Bros. Ltd., Calcutta.	31.12.87	Investigation are in progress in respect of illegal remittance of U.S.\$ 1,48,500/-.

Appropriate action under the law as warranted by the results of investigations is taken.

### **Bonus to Government Employees**

8998. SHRI VILAS MUTTEMWAR: Will the Minister of FINANCE be pleased to state:

(a) whether payment of bonus or *ex gratia* to the employees in Central Government departments and in the Public Undertakings and organisations under the control of Union Government is made on the basis of productivity;

(b) whether it is also a fact that payment of bonus or *ex gratia* was made by some Government departments last year despite the losses suffered by them; and

(c) if so, the reasons therefor?

THE MINISTER OF STATE IN THE DEPARTMENT OF EXPENDITURE IN THE MINISTRY OF FINANCE (SHRI B.K.GADHVI): (a) to (c). The Central Government employees working in production oriented or commercial sectors of the Government, for example, Railways, Posts & Telecommunications, Defence production units, etc., are paid bonus according to the Productivity Linked Bonus schemes pertaining to the respective Departments. The

remaining Central Government employees who are not covered by any Productivity Linked Bonus Scheme receive *ex gratia* payment/*ad hoc* bonus. The amount payable is fixed by Government annually.

Minimum statutory bonus at the rate of 8.33 per cent in terms of the Payment of Bonus Act or *ex gratia* paid under Government orders, where the payment of Bonus Act is not applicable, at the rate of 8.33 per cent to employees of public sector enterprises is not dependent upon the profitability or loss of the concerned enterprise.

[English]

### **Pencillin Import Licence to IDPL**

8999. SHRI DHARAM PAL SINGH MALIK: Will the Minister of COMMERCE be pleased to state:

(a) the provision of Import and Export Policy under which the Indian Drugs and Pharmaceuticals Limited (IDPL) has been granted an *ad hoc* import licence for import of Pencillin V first crystal for distribution; and

(b) Under what head of account could

the excess recovery between imported and indigenous price to be paid to Government?

THE MINISTER OF STATE IN THE MINISTRY OF COMMERCE (SHRI P.R. DAS MUNSI): (a) In terms of the provision for 'Residual requirements' contained in para 154 of the Import Policy for 1985-88, an ad hoc licence was granted to M/s. Indian Drugs and Pharmaceuticals for imports of Pencillin V for distribution to M/s. Jagson Pal, Delhi at the indigenous Price of Penicillin G.

(b) There is no decision for deposit of the difference between the indigenous and imported price to the Government account.

#### **Import of Film Slitting Machines**

9000. SHRI G. BHOOPATHY: Will the Minister of COMMERCE be pleased to state:

(a) whether some small scale units have imported film slitting machines without import licences as Printing machinery; and

(b) the action being taken by Government in the matter?

THE MINISTER OF STATE IN THE MINISTRY OF COMMERCE (SHRI P.R. DAS MUNSI): (a) Government have no such information.

(b) Does not arise.

[Translation]

#### **Bonds for NRI**

9001. SHRI KALI PRASAD PANDEY: Will the Minister of FINANCE be pleased to state:

(a) whether the Reserve Bank of India is considering many proposals for issuing

the new bonds called "NRI Bonds" for the Indians settled abroad;

(b) if so, the details of these bonds; and

(c) the time when these bonds will be issued and the country-wise number of branches through which these bonds will be issued and the necessary terms and conditions thereof?

THE MINISTER OF STATE IN THE DEPARTMENT OF ECONOMIC AFFAIRS IN THE MINISTRY OF FINANCE (SHRI EDUARDO FALEIRO): (a) to (c). Government have decided to introduce a new scheme of Foreign Currency denominated Bonds/Deposit Certificates for Non-Resident Indians on a non-repatriable basis. The maturity period of these Bonds/Deposit Certificates will be 7 Years and these will carry an interest rate higher than that applicable to the repatriable foreign currency non-resident deposits. These Bonds/Deposits will be free from Income tax, Wealth tax and Gift tax. The Scheme is expected to be implemented fairly soon.

#### **Loans Advanced by State Bank of Indore in Madhya Pradesh**

9002. SHRI C. JANGA REDDY: Will the Minister of FINANCE be pleased to state:

(a) the number of persons who were given loans during the period from January, 1987 to December, 1987 in each district of Madhya Pradesh where branches of State Bank of Indore are functioning;

(b) the break-up of the loans, out of the aforesaid amount advanced to women entrepreneurs, handicapped and unemployed persons for setting up industries;

(c) the amount of loans proposed to be given during the current year to the persons belonging to the aforesaid categories by the

branches of the said bank in each district; and

(d) if no amount is proposed to be given, the reasons therefor?

THE MINISTER OF STATE IN THE DEPARTMENT OF ECONOMIC AFFAIRS IN THE MINISTRY OF FINANCE (SHRI EDUARDO FALEIRO): (a) to (d). The present data generating system does not provide for collection of the information in the manner asked for. However, the outstanding gross credit (excluding advances to banks) as on the last Friday of December 1985, December 1986 and September 1987 in respect of all Scheduled Commercial banks in Madhya Pradesh is as under:-

*(Amount Rs.in crores)*

<i>Year</i>	<i>Credit</i>
December 1985	1837.60
December 1986	2264.13
September 1987	2471.10

[English]

#### **Institute of Rural Development of SBI**

9003. SHRI C. SAMBU: Will the Minister of Finance be pleased to state:

(a) the achievements of the Institute of Rural Development of the State Bank of India at Hyderabad since its inception; and

(b) the details thereof?

THE MINISTER OF STATE IN THE DEPARTMENT OF ECONOMIC AFFAIRS IN THE MINISTRY OF FINANCE (SHRI EDUARDO FALEIRO): (a) and (b). The information is being collected and will be laid on the Table of the House to the extent

available.

#### **Equity Assistance to Small Scale Sector**

9004. SHRI K. RAMAMURTHY:  
SHRI VISHNU MODI:

Will the MINISTER OF FINANCE be pleased to state:

(a) the details of the five schemes of equity finance introduced by Government to supplement the equity capital raised by small enterprises;

(b) the quantum of equity assistance sanctioned so far to the small scale sector under these five schemes of equity finance;

(c) the equity assistance sanctioned under the National Equity Fund to the small scale sector; and

(d) the extent to which the capital ills of the small sector have eliminated by such equity assistance?

THE MINISTER OF STATE IN THE DEPARTMENT OF ECONOMIC AFFAIRS IN THE MINISTRY OF FINANCE (SHRI EDUARDO FALEIRO): (a) to (c). The Industrial Development Bank of India (IDBI) has reported that it provides equity type of assistance in the form of seed Capital through its four Schemes viz., i) Special Capital Scheme, ii) Seed Capital Scheme, iii) National Equity Fund Scheme and iv) Special Scheme of assistance for Ex-Servicemen. Details of these Schemes and the assistance extended through them are set out in the statement below.

(d) The IDBI has reported that its Seed Capital Assistance Schemes have enabled an increasing number of new entrepreneurs to set up projects in Small Scale Sector. Assistance on soft terms from the National

Equity Fund is inter-alia available for rehabilitation of potentially viable sick small scale units where the total outlay does not exceed Rs. 5 lakhs.

#### *Special Capital Scheme*

Under the Scheme, State Financial Corporation provide equity type of assistance to small scale units in their portfolio out of the Special Capital contributed by IDBI and State Governments in equal proportion. Maximum amount of assistance under the Scheme is Rs.4 lakh per unit. According to available information, cumulative assistance sanctioned in respect of this Scheme upto end March 1987 amounted to Rs. 3522 lakhs in respect of 2453 units.

#### *Seed Capital Scheme*

This Scheme is being operated by IDBI through State Industrial Development Corporations and State Financial Corporations for providing equity type assistance to small and medium scale units being financed by the State-level institutions. Maximum assistance under this Scheme is limited to Rs.15 lakhs per project.

Since July 1982 and upto end of March 1988,SSI units have been extended assistance under the Scheme to the extent of Rs. 2061 lakhs.

#### *National Equity Fund Scheme*

National Equity Fund (NEF) has been set up in IDBI in August, 1987 for providing assistance in the form of soft loans towards equity to eligible entrepreneurs for setting up of new projects and also for rehabilitation of potentially viable sick units in the tiny and small scale sectors. Assistance upto a maximum of Rs.75,000 per project at a service charge of 1% per annum would be available to tiny and small-scale industrial units located/coming up in a village/town having

population not exceeding 5 lacs and with project cost not exceeding Rs. 5 lacs. The assistance under the Scheme would be channelised through Nationalised Banks. As at end March 1988, an aggregate amount of Rs. 2.54 lakhs have been sanctioned to 15 units.

#### *Special Scheme of Assistance to Ex servicemen*

IDBI has introduced the above scheme which came into affect from April 1, 1987. Under the scheme ex-servicemen will be provided through SFCs and twin function SIDCs, equity type support for starting small scale industries including transport and other service industries for self employment. As at end March 1988, an aggregate amount of Rs. 1337 lakhs had been sanctioned to 570 beneficiaries by various SFCs/twin function SIDCs.

#### **Long Term Plan for Irrigation Potential**

9005. DR. KRUPASINDHU BHOI: Will the Minister of WATER RESOURCES be pleased to state:

(a) whether Government have drawn up any long term plan for expanding areas under irrigation in the country;

(b) if so, the estimated cost of that long term plan;

(c) the irrigation potential expected to be created on completion of that long term plan period; and

(d) the details thereof?

THE MINISTER OF STATE IN THE MINISTRY OF WATER RESOURCES (SHRIMATI KRISHNA SAHI): (a) Plans for expanding irrigation facilities are taken up by the state Governments under their Annual Plan/Five Year Plans.



(b) The estimated cost of these long term plans would depend on the prevailing costs of individual schemes/projects at the time of its execution.

(c) The ultimate irrigation potential that is sought to be achieved in the country, by 2010 Ad or so, is 113 million hectares.

(d) An estimated area of 58 million hectares would be irrigated from major & medium projects and the balance from the minor irrigation schemes.

[Translation]

### **Handlooms in Gujarat**

9006. SHRI NARSINH MAKWANA: Will the Minister of TEXTILES be pleased to state:

(a) the number of handlooms in Gujarat and the number of people who are working through co-operative societies and Handloom Corporation and of those who are working individually;

(b) the details of the concessions being provided to handloom weavers and the extent thereof and whether these concessions are being provided even to those who are working individually;

(c) the reasons for not supplying yarn for manufacturing Janata cloth to all the weavers and the criteria being adopted in this regard; and

(d) the reasons for supplying less quantity of Janata cloth yarn, keeping in view the number of handlooms in Gujarat?

THE MINISTER OF TEXTILES (SHRI RAM NIWAS MIRDHA): (a) to (d). A Statement is given below.

### **STATEMENT**

(a) The number of handlooms in Gujarat is estimated at 23,741 and the break-up is as under:

i) Cooperative Sector	11,000
ii) Corporate Sector	5,035
iii) Others	7,706
Total	23,741

The figures regarding number of people working on these looms are not maintained.

(b) The following concessions being provided to the handloom sector are applicable to individual weavers also:-

- i) Complete exemption from excise duty on plain reel hank yarn.
- ii) Complete exemption of processing duty for cotton, wool and polyester fabrics made on handlooms when processed in process houses set up by State Handloom Development Corporation and Apex Handloom Co-operative Societies.
- iii) Concessional processing duty on processing of cotton fabrics made on handloom when processed by independent processors approved by the Government.
- iv) Complete exemption from excise duty on processing of woollen fabrics woven on handloom when processed by independent processors approved by the Government.

In addition, the following concessions are being provided to the handloom weavers covered by the Cooperatives/Corporations:-

- i) 50% concession on double cross reel hank yarn when purchased by registered handloom cooperative societies and State Handloom Development Corporations.
- ii) Complete exemption from excise duty on certain type of polyester blended yarn when purchased by State Handloom Development Corporation and Handloom Cooperative Societies.
- iii) Complete exemption from excise duty on polyester fibre used in the blended yarn consumed for the production of blended fabrics on handlooms under a programme approved by Development Commissioner for Handlooms.
- iv) Concessional rate of excise duty @ Rs. 10.56 per kg. on polyester filament yarn used in the production of polyester fabrics under a programme approved by Development Commissioner for handlooms.
- v) 50% concession on viscose filament yarn when purchased by registered handloom cooperative society or any organisation approved in this behalf by the Government.
- vi) Complete exemption from customs duty on the raw wool imported into India by a registered apex handloom cooperative

society or a State handloom development corporation.

(c) and d). State Government of Gujarat has reported that the yarn for production of Janata cloth is supplied by the implementing agencies to the weavers engaged in the production of Janata cloth either directly or through Primary Weavers' Cooperative Societies. No complaint of inadequate supply of yarn has been received.

#### **Loan Linked Deposit Scheme of Canara Bank**

9007. SHRI SRIKANTHA DATTA NARASIMHARAJA WADIYAR: Will the Minister of FINANCE be pleased to state:

(a) whether the Canara Bank has introduced a loan linked deposit scheme;

(b) if so, the details of the scheme; and

(c) whether this scheme has been introduced in all the branches?

THE MINISTER OF STATE IN THE DEPARTMENT OF ECONOMIC AFFAIRS IN THE MINISTRY OF FINANCE (SHRI EDUARDO FALIERO): (a) and (c). Yes, Sir.

(b) As per the information available from Canara Bank, an account under the loan linked deposit scheme can be opened by any individual in monthly instalments of a minimum of Rs.50% and in multiples of Rs.10/-. The period of deposit could be from 2 to 5 years. On the maturity of deposit the bank would advance one to four times the maturity amount to acquire any tangible fixed assets on the usual terms and conditions applicable for such advances. The maximum amount of such advance is Rs. one lakh. The repayment and other conditions are as per rules for loans against durable utility articles.

[Translation]

**Promotion of SC/ST Employees**

9008. SHRI YOGESHWAR PRASAD YOGESH: Will the Minister of WATER RESOURCES be pleased to state:

(a) the number of scheduled Caste/ Scheduled Tribe employees in clerical cadre whose promotions have been kept in abeyance for more than a period of 10 years with reasons therefor;

(b) whether the member of SC/ST category are finding due representation in the class-I posts according to the reservation quota allotted to them; and

(c) if not, the steps being taken to give due representation to them in promotional matters?

THE MINISTER OF STATE IN THE MINISTRY OF WATER RESOURCES (SHRIMATI KRISHNA SAHI): (a) There is one such case. The official who joined Government Service in March, 1957 as Lower Division Clerk, submitted his claim of being Scheduled Caste in June, 1973. This necessitated verification in regard to its genuineness as per the prescribed procedure. His claim of being a Scheduled Caste has since been admitted in February, 1988. He has been promoted as Upper Division Clerk with effect from 19.6.1982 in the normal course.

(b) Yes, sir,

(c) Does not arise.

[English]

**Export of Aluminium by NALCO Through MMTC**

9009. SHRI MOHD. MAHFOOZ ALI

KHAN: Will the Minister of COMMERCE be pleased to state:

(a) whether the National Aluminium Company Limited (NALCO) is exporting alumina through Minerals and Metals Trading Corporation (MMTC);

(b) whether some losses are being incurred by MMTC in export of alumina;

(c) if so, the details thereof and the reasons therefor; and

(d) the manner in which Government propose to minimise the losses?

THE MINISTER OF STATE IN THE MINISTRY OF COMMERCE (SHRI P.R. DAS MUNSI): (a) Yes, Sir.

(b) No, Sir.

(c) and (d). Do not arise.

**Export of Garments Under Open Tender System**

9010. DR. A.K. PATEL: Will the Minister of TEXTILES be pleased to state:

(a) whether Government's new Open Tender System (OTS) under garments export quota policy has been successful in realising huge amount from quota premium; if so, the details thereof; and

(b) the details in respect of the first period of 1988 for each superfast quota category in USA, Canada, Sweden (Woven and knitted separately) and the number of pieces which were sold under OTS at premium: (i) below Rs.5/-; (ii) between Rs.5/- and Rs.10/- (iii) Rs. 10/- and Rs.15/-; (iv) Rs.15/- and Rs.20/-; (v) Rs. 20/- and Rs. 30/-; (vi) Rs. 30/- and Rs.40/-; (vii) Rs. 40/- and Rs. 50/-; (viii) Rs. 50/- Rs. 75/- and (ix) above Rs. 75/- along with the number of exporter

buyers in each such price category?

12.02 crores has been collected under Open Tender System (OTS) for the first period of 1988.

THE MINISTER OF TEXTILES (SHRI  
RAM NIWAS MIRDHA): (a) A sum of Rs.

(b) A statement is given below.

### STATEMENT

*Premium Rangewise Quantity Sold Under Category/Country To Registered Exporters in  
Open Tender System During 1st Period 1988*

<i>Premium Range</i>	<i>No. of Exporter-Buyers</i>		<i>Qty. (In PCS) Sold Under O.T.S.</i>	
	<i>Woven</i>	<i>Knitted</i>	<i>Woven</i>	<i>Knitted</i>
1	2	3	4	5
U.S.A., CATG. 335				
0-4.50	45	-	160482	-
5-9.50	3	-	2070	-
10-14.50	6	-	13738	-
Total	54	-	176290	-
U.S.A. CATG. 336-636				
0-4.50	7	8	49500	34206
5-9.50	2	4	1215	13190
10-14.50	-	1	-	1200
15-19.50	101	1	282541	1350
20-24.50	27	1	158463	2000
25-29.90	3	-	1096	-
30-34.50	5	-	5980	-
Total	145	15	498795	51946

U.S.A. CATG. 338/39/40

0-4.50

1	2	3	4	5
5-9.50	1	1	9900	585
10-14.50	12	-	78377	-
15-19.50	53	4	658621	13920
20-24.50	45	10	488799	134400
25-29.50	14	3	172900	7500
30-34.50	6	1	30000	1000
35-39.50	-	1	-	1200
Total	131	20	1438597	158605

## U.S.A. CATG. 341.

0-4.50	20	-	198488	-
5-9.50	233	-	2616579	-
10-14.50	70	-	667724	-
15-19.50	2	-	940	-
20-24.50	-	-	-	-
25-29.90	-	-	-	-
30-34.50	2	-	6235	-
Total	327	-	3489966	-

## U.S.A. CATG. 342

0-4.50	3	-	16500	-
5-9.50	5	-	2500	-
10-14.50	-	1	-	1080
15-19.50	29	-	98001	-
20-24.50	44	5	271220	50000

1	2	3	4	5
25-29.50	7	-	33003	-
30-34.50	6	-	12450	-
Total	94	6	456174	51080

## U.S.A. CATG. 347/48

0-4.50	-	-	-	-
5-9 50	-	-	-	-
10-14.50	9	-	23076	-
15-19.50	5	-	9120	-
20-24 50	-	3	-	9174
25-29.50	57	6	213511	26670
30-34.50	13	1	54740	600
35-39.50	1	-	6000	-
40-69.50	2	-	12000	-
70 and above	1	-	2288	-
Total	88	10	320735	36444

## CANADA CATG 1

0-4.50	13	2	33209	10000
5-9 50	25	-	90446	-
10-14.50	8	-	34340	-
15-19.50	2	-	2191	-
Total	48	2	160186	10000

## CANADA CATG. 2.

0-4 50	76	-	301750	-
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1	2	3	4	5
5-9.50.	13	10	36206	44885
10-14.50	6	-	5988	-
15-19.50	1	1	5000	800
20-24.50	-	2	-	19920
Total	96	13	348944	65605

## CANADA CATG.3.

0-4.50	-	2		2120
5-9.50.	17	2	32601	2589
10-14.50	20	-	22924	-
15-19.50	3	-	5117	-
20-24.50	1	-	1239	-
Total	41	4	61881	4709

## CANADA CATG.4

0-4.50	4	1	11600	4000
5-9.50	86	3	142855	5244
10-14.50	35	2	65445	1425
15-19.50	42	1	21573	285
Total	167	7	241473	10954

total Exports Woven + Knitted = 174

Total Quantities Woven + Knitted = 252427.

## SWEDEN. CATG. 5

0-4.50	-	13	-	60780
5-9.50	-	21	-	80930

1	2	3	4	5
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10-14.50	-	5	-	25000	.
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Total	-	39	-	166710	
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SWEDEN CATG. 8.

0-4.50	-	-	-	-	
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5-9.50	-	-	-	-	
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10-14.50	1	3	1560	1694	
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15-19.50	-	-	-	-	
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20-24.50	-	-	-	-	
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25-29.50	3	-	4468	-	
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30-34.50	3	-	2100	-	
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35-39.50	5	-	7500	-	
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Total	12	3	15628	1694	
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SWEDEN, CATG. 9

0-4.50	-	-	-	-	
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5-9.50	-	-	-	-	
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10-14.50	1	-	525	-	
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15-19.50	4	10	5580	9673	
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20-24.50	-	-	-	-	
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25-29.50	-	-	-	-	
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30-34.50	13	-	25345	-	
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35-39.50	7	-	14500	-	
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40-44.50	9	-	14500	-	
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183	Written Answers	APRIL 29, 1988	Written Answers	184
1	2	3	4	5
45.49.50	2	-	2880	-
50-54.50	1	-	2500	-
Total	37	10	65830	9673

Source : Apparel Export Promotion Council.

### Indo-French Trade Talks

9011. SHRI RADHAKANTA DIGAL:  
Will the Minister of COMMERCE be pleased to state:

(a) whether the Indo-French official level were held for expansion of trade between the two countries;

(b) if so, when was last talk held and the outcome thereof;

(c) the areas identified for expansion of trade?

THE MINISTER OF STATE IN THE MINISTRY OF COMMERCE, (SHRI P.R. DAS MUNSJI) : (a) to (c). The last official level bilateral talks were held in Paris in October, 1987 at the time of the sixth Indo-french Joint Committee meeting on Economic and Technical Cooperation. Some of the areas identified for expansion of trade included French support for a trade promotion programme for selected Indian products and the establishment of joint ventures in India mainly in areas which may help generate exports.

### Import of Cloves

9012. SHRI N. VENKATA RATNAM:  
Will the Minister of COMMERCE be pleased to state:

(a) whether under 1985-86 import-Ex-

port policy, import of Cloves was under Open General Licence;

(b) whether it was shifted to the canalised list, and if so, the reasons therefor;

(c) whether cloves shortage arose after canalisation and the clove import was again put back in the Open General Licence system; and

(d) the quantity of cloves imported during the period of canalisation and the names of importers?

THE MINISTER OF STATE IN THE MINISTRY OF COMMERCE (SHRI P.R. DASMUNSI) : (a) to (d). Import of Cloves has been under Open General Licence for a long time. There had been persistent representations for shifting of this item from the Open General Licence List. Keeping in view the indigenous production as well as the possible advantages in bulk purchases, particularly because of the suppliers in exporting countries being state trading agencies, import of cloves was canalised through State Trading Corporation with effect from 26th September 1986. However, there have been problems in import as well as distribution of cloves with consequential rise in prices. It was, therefore, decided to restore status-quo ante and import of cloves has been allowed under Open General Licence in the Import Policy for April, 1988-March, 1991. Total Quantity imported by the STC

during the period of canalisation is 1293 MT.

### **Cardamom Replantation**

9013. PROF. P.J.KURIEN: Will the Minister of COMMERCE be pleased to state:

(a) the total area presently under cardamom;

(b) whether the Spices Board has initiated a scheme for replantation of the entire area under cardamom;

(c) if so, the details thereof; and

(d) how much work has been done so far in this regard?

THE MINISTER OF STATE IN THE MINISTRY OF COMMERCE (SHRI P.R. DASMUNSI) : (a) The total area under Cardamom cultivation in the country is estimated at around 1.00 lakh hectares.

(b) and (c). The Board is implementing a subsidy scheme on a limited basis for motivating the farmers to take to re-planting.

(d) Under the subsidy scheme the number of beneficiaries and area covered by replantation have been estimated as 8580 numbers and 10,060.28 hectares respectively since 1983-84. Apart from this, another 3532.80 hectares have been replanted in the large grower sector without subsidy during the same period.

### **Bank Loans for Housing**

9014. SHRI SOMNATH RATH: Will the Minister of FINANCE be pleased to state:

(a) what has been the contribution on nationalised banks in the field of housing in terms of percentage; and

(b) their future programmes in this regard?

THE MINISTER OF STATE IN THE DEPARTMENT OF ECONOMIC AFFAIRS IN THE MINISTRY OF FINANCE (SHRI EDUARDO FALEIRO) : (a) The percentage share of housing finance in total bank credit of public sector banks was 0.30 and 0.34 during the years 1985 and 1986 respectively.

(b) Reserve Bank of India have issued instructions to all scheduled commercial banks advising enhancement in the total annual allocation for housing finance from Rs. 150 crores to Rs. 225 crores for the year 1988 and to Rs. 300 crores for the year 1989.

### **Expenditure on Ramakrishnayya Committee**

9015. SHRIMATI N.P.JHANSI LAKSHMI: Will the Minister of COMMERCE be pleased to state the total expenditure incurred by Government on Ramakrishnayya Committee on Tea, Coffee and Rubber Boards, with break-up under suitable heads?

THE MINISTER OF STATE IN THE MINISTRY OF COMMERCE (SHRI P.R. DASMUNSI): The total expenditure incurred in connection with the functioning of the Ramakrishnayya Committee has been to the tune of Rs. 1,88,300/- (Rupees One lakh eighty-eight thousand and three hundred only) with following details:-

1	2	3
1.	Honorarium	Rs. 22, 000
2.	Remuneration to Consultant	Rs. 22,000

1	2	3
3.	Transport/ Travelling allowance	Rs. 67, 700
4.	Maintenance of Office including rent, telephone etc.	Rs. 46,600
5.	Stationery, incidental and miscellaneous expenditure	Rs. 30,000
Total		Rs. 1,88,300

#### Excise Duty Evasion Cases Against TELCO

9016. SHRI BHATAM SRIRAMA MURTY: Will the Minister of FINANCE be pleased to state:

(a) the number of cases in which show

Year	No. of show cause notice issued	Amount of alleged s evasion of central excise duty involved (Rs. in lakh)
1987	9	245.13
1988 (upto 31.3.88)	1	7.64

(c) and (d). The number of proceedings for excise duty evasion against TELCO, Jamshedpur, which are in progress, is 3 involving an amount of Rs. 63.46 lakhs. Number of such cases in respect of TELCO, Pune is 10, involving an amount of Rs. 372.04. lakhs.

cause notices for evasion of excise duty were issued to Tata Engineering and Locomotive Company (TELCO) during 1987 and this year upto 31.3. 1988;

(b) the amount involved in these cases;

(c) the number of proceedings for excise duty evasion against TELCO factories at Jamshedpur and Pune which are in progress; and

(d) the amount involved in these proceedings?

THE MINISTER OF STATE IN THE DEPARTMENT OF REVENUE IN THE MINISTRY OF FINANCE (SHRI A.K.PANJA) : (a) and (b). The number of cases in which show cause notices for evasion of excise duty have been issued to M/s. Tata Engineering and Locomotive Company (TELCO) during the years 1987 and 1988 (upto 31.3.1988), are given below along with amounts involved in these cases:-

#### Hawala Racketeers at Bombay

9017. SHRI BHATTAM SRIRAMAMURTY: Will the Minister of FINANCE be pleased to state:

(a) whether the Central Economic Intel-

ligence Bureau (CEIB) had identified Hawala Racketeers at Bombay whose daily turn over was Rs. two crores; and

(b) if so, the details thereof and the action taken in this regard?

THE MINISTER OF STATE IN THE DEPARTMENT OF REVENUE IN THE MINISTRY OF FINANCE (SHRI A.K. PANJA) : (a) and (b). Yes, Sir. Central Economic Intelligence Bureau, Department of Revenue, Ministry of Finance had, in 1987, identified some hawala racketeers at Bombay and organised an operation code-named 'RAHU' against them on 27th June, 1987. As part of the above named operation 20 premises were searched in Bombay on 27th June, 1987 which resulted in the seizure of incriminating documents evidencing Hawala payments in violation of Foreign Exchange Regulation Act, 1973 to the tune of about Rs. 30 crores Indian currency amounting to Rs. 15,39 100/- believed to be proceeds of compensatory/(Hawala) payments, 420 Hong Kong Dollars, 130 UAE Dirhams, 7.75 Kuwaiti Dinars, 16 Pakistani Rupees, 4 US Dollars and 4 Zambian Kwacha were also seized. 6 persons were arrested. Out of these six persons two were detained under Conservation of Foreign Exchange and Prevention of Smuggling Activities Act, 1974 (COFEPOSA).

#### **Indian Construction Industry for Jobs Abroad**

9018. SHRI MOHANBHAI PATEL: Will the Minister of COMMERCE be pleased to state:

(a) the names of Indian construction companies which are in public sector;

(b) the number of works they have obtained in foreign countries during the last three years and the names of the countries;

(c) whether the Indian construction industry is facing severe competition in getting contracts abroad;

(d) whether the Overseas Construction Council of India recently organised a two-day Seminar in New Delhi on the subject of "Strategies for International Construction Contracting"; and

(e) if so, the issues discussed and the steps being taken by the construction industry to get jobs in foreign countries?

THE MINISTER OF STATE IN THE MINISTRY OF COMMERCE (SHRI P.R. DASMUNSI) : (a) to (e). A statement is given below:

#### **STATEMENT**

This following are the Name of Some of the Indian Construction Companies in the Public Sector, Which have participated in Overseas construction projects:

- i) Indian Railway Construction Company Limited
- ii) National Buildings Construction Corporation Limited
- iii) National Projects Construction Corporation Limited
- iv) Indian Roads Construction Corporation Limited
- v) Engineering Projects (India) Limited
- vi) U.P. State Bridge Corporation
- vii) Projects and Equipment Corporation
- viii) Bridge and Roof Limited
- ix) Hindustan Steel Works Construction Company Limited

- x) International Airports Authority of India.

During 1985-87, with the support of Exim Bank, Indian Railway Construction Company Limited secured five projects, one each at Iraq, Nepal, Algeria, Jordan and Bangladesh, and U.P. State Bridge Corporation had secured a project in Nepal.

Fall in oil revenue in West Asia, war in the Middle-East etc., have restricted construction project exports in West Asia.

The Overseas Construction Council of India, in association with the National Institute of Construction Management and Research, had organised a Seminar at New Delhi on the subject of 'Strategies for International Construction Contracting'. The issues raised in the Seminar, *inter alia*, pertained to the need for identification of thrust markets, Option of consortium approach, need for an information system and publicity programme, etc.

With a view to facilitating exploration of overseas markets, the Indian construction contractors, either on their own or under the aegis of the Overseas Construction Council of India, participate in delegations/study teams deputed abroad and also in overseas fairs/exhibitions.

### **Bhandara Gramin Bank**

9019. SHRI HANNAN MOLLAH: Will the Minister of FINANCE be pleased to state:

(a) when Indian Banks' Association and management of Bank of India have duly recognised and signed agreement with All India Organisation of Bank Officers and Bank of India Officers Organisation, respectively;

(b) if so, the reasons why the management of Bhandara Gramin Bank, sponsored

by Bank of India, has refused to make any correspondence with Bhanadra Gramin Bank Officers Association, even after recognition; and

(c) whether the management of Bank of India and Bhandara Gramin Bank are not governed by the same labour laws of the land?

THE MINISTER OF STATE IN THE DEPARTMENT OF ECONOMIC AFFAIRS IN THE MINISTRY OF FINANCE (SHRI EDUARDO FALEIRO) : (a) The Indian Banks' Association has advised that it does not recognise any union or association. However, the Indian Banks' Association holds discussions with all India Officers Associations of banks concerning service matters of the officers. At individual bank level, bipartite relationships are maintained with the majority officers' associations. The Federation of Bank of India Officers' Association affiliated to all India Bank Officers Confederation (AIBOC) is the majority association in Bank of India.

(b) and (c). Regional Rural Banks including Bhandara Gramin Bank, sponsored by the Bank of India, have been set up under the Regional Rural Banks Act 1976 and therefore enjoy legal status which is different from that of their sponsor Banks.

All Regional Rural Banks have been advised to give recognition to their employees unions as per guidelines contained in Criteria for recognition of Unions' and 'Code of discipline in Industry' laid down by the Ministry of Labour. Such recognition is however envisaged for Unions of Workers only. As such Associations of Officers cannot claim recognition, however, it is for the management of each regional rural bank to evolve procedures for securing involvement of its officers and staff in the formulation of management policies and practices.

**Banks Sponsored by Punjab National Bank**

9020. SHRI HANNAN MOLLAH: Will the Minister of FINANCE be pleased to state:

(a) whether as per the provisions of Employees Provident Fund Act and Rules, benefit of provident fund schemes will have to be allowed to any wage earner even daily waged/part-time workers;

(b) the reasons why these benefits have not been allowed to messengers of regional rural banks sponsored by the Punjab National Bank; and

(c) the action taken against the management of these regional rural bank for violation of statutory obligation?

THE MINISTER OF STATE IN THE DEPARTMENT OF ECONOMIC AFFAIRS IN THE MINISTRY OF FINANCE (SHRI EDUARDO FALEIRO) : (a) to (c). The benefit of Employees provident Fund Scheme is to be allowed by Regional Rural Banks to their employees in accordance with the provisions prevailing in the respective State Governments. The Punjab National Bank (PNB) has reported that certain RRBs sponsored by it were not extending the benefit of Employees Provident Fund Scheme to such employees who were either on part time basis or on daily-wages. The Punjab National Bank has further reported that they are advising the Regional Rural Banks sponsored by them to ensure that there is no violation of the provisions contained in Employees provident Fund Scheme.

**Import of Virginia Tobacco by USSR from India**

9021. SHRI C.K.KUPPUSWAMY: Will the Minister of COMMERCE be pleased to state:

(a) whether the imports of Virginia to-

bacco from India by the USSR is steeply decreasing; and

(b) if so, whether the matter was taken up at the highest level between India and the USSR for promotion of tobacco exports to the USSR so as to strengthen the agricultural economy of the country?

THE MINISTER OF STATE IN THE MINISTRY OF COMMERCE (SHRI P.R. DASMUNSI) : (a) In view of anti-smoking campaigns and the Soviet policy to discourage smoking as well as due to increase in output of Soviet domestic grown tobacco, India's exports of tobacco to the USSR have shown a declining trend. In 1987, the Soviet Union placed orders for about 14,000 tonnes as compared to about 25,000 tonnes in 1986. During, 1988 the Soviet Union has so far placed orders for about 13,000 tonnes only.

(b) The matter of increasing export of tobacco to the USSR is taken up from time to time whenever suitable opportunity arises.

**Alleged Smuggling through Vessels of Shipping Corporation of India**

9022. CH. RAM PARKASH: Will the Minister of FINANCE be pleased to state:

(a) whether it is a fact that vessels belonging to the Shipping Corporation of India have been found carrying smuggled goods while plying on certain routes between West Asia and India and between Singapore and Malaysia and India; and

(b) if so, the details of such cases and the action taken by Government against the persons involved?

THE MINISTER OF STATE IN THE DEPARTMENT OF REVENUE IN THE MINISTRY OF FINANCE (SHRI A. K. PANJA) : (a) Yes, Sir.

(b) Reports received from the Customs authorities at Kandla, Bombay, Goa, Cochin, Madras, Vishakhapatnam and Calcutta indicate that contraband goods worth Rs. 24 lakhs approximately were seized in 51 cases (the figures are provisional) during the calendar year 1987, from such vessels. In some cases the crew members involved have also been identified.

Apart from confiscation of the contraband goods, the crew members involved are penalised in departmental adjudications and their names forwarded to the Shipping Corporation of India for disciplinary action. In suitable cases the persons involved are also arrested and prosecuted in a Court of law.

#### **Opening of Regional Rural Banks**

9023. CHAUDHARY RAM PARKASH: Will the Minister of FINANCE be pleased to state:

(a) the total number of regional rural banks in the country as on 31 December, 1987;

(b) the total amount of deposits in these banks as on 31 December, 1987;

(c) the amount of loans advanced by these banks during the financial year 1986-87 and from April, 1987 till December, 1987; and

(d) the number of regional rural banks which are proposed to be opened during the next two years?

THE MINISTER OF STATE IN THE DEPARTMENT OF ECONOMIC AFFAIRS IN THE MINISTRY OF FINANCE (SHRI EDUARDO FALEIRO) : (a) There were 196 Regional Rural Banks in the country as on December 31, 1987;

(b) and (c). As per the latest available

information the deposits of regional rural banks were Rs. 1910 crores at the end of June, 1987. The loans issued by these banks during the calendar year 1986 amounted to Rs. 673 crores. Consolidated figures for the year 1987 have not yet become available.

(d) Opening of new Regional Rural Banks is considered on a selective basis and at present no such proposal is pending with the Government.

#### **Reduction of Excise Duty on Paper and Paper Board**

9024. PROF. MADHU DANDAVATE: Will the Minister of FINANCE be pleased to state:

(a) whether he announced in the budget speech reduction of Rs. 300 per tonne in excise duty on paper and paper board made out of agriculture residues;

(b) if so, whether Notification No. 139/86 does not limit it to the paper and paper board made out of Agricultural residues;

(c) if so, whether the said notification will give relief even on the production out of imported waste paper; and

(d) if so, the steps taken to amend the notification?

THE MINISTER OF STATE IN THE DEPARTMENT OF REVENUE IN THE MINISTRY OF FINANCE (SHRI A.K. PANJA) : (a) Yes, Sir. In this years budget excise duty on specified varieties of paper and paper board made out of cereal, straw, bagasse, grasses, jute waste, etc., was reduced by Rs. 300 per tonne.

(b) and (c). In terms of notification No. 139.86—Central Excises, dated the 1st March 1988, a concessional rate of excise

duty is leviable on paper and paper boards manufactured out of pulp containing not less than 50 per cent by weight of pulp, made from materials other than bamboo, hard woods, soft woods, reeds or wags, subject to certain other conditions. This concession has *inter alia* been available to paper manufactured out of waste paper and so is the reduction in excise duty of Rs. 300 per tonne announced in this year's budget.

(d) Government do not consider it necessary to restrict the scope of notification No. 139/86— Central Excises dated the 1st March, 1986.

#### **Bank of Baroda**

9025. PROF. MADHU DANDAVATE: Will the Minister of FINANCE be pleased to state:

(a) whether the Reserve Bank of India has imposed a heavy penalty on the Bank of Baroda for its failure to maintain the cash reserve ratio and statutory liquidity ratio;

(b) whether the Bank of Baroda has stopped all loans and advances due to the poor financial position;

(c) whether the inspection reports on slow advances/loans of the Bank are being acted upon; and

(d) if not, the reasons therefor?

THE MINISTER OF STATE IN THE DEPARTMENT OF ECONOMIC AFFAIRS IN THE MINISTRY OF FINANCE (SHRI EDUARDO FALEIRO): (a) According to the information available from Reserve Bank of India (RBI) the Bank of Baroda has not defaulted in the maintenance of statutory Liquidity Ratio (SLR) during September 1985, (when provision of penal interest on SLR short-falls came into force) to January 1988 (latest available). The bank has also

not defaulted in the maintenance of Cash Reserve Ratio (CRR) during the year 1986. The bank, however, defaulted marginally during the year 1987 for two fortnights but was not liable for payment of any penal interest.

(b) to (d). The Bank of Baroda has reported that it has not stopped expansion of credit. It has, however, advised its field functionaries to obtain clearance from Head Office for such loans which do not fall in the priority sector. The bank has also reported that on inspection report follow up action is being taken by it on a continuing basis.

#### **Collection in Vishakhapatnam by way of Excise/Customs Duty and Income tax**

9026. SHRI BHATTAM SRIRAMA MURTY: Will the Minister of FINANCE be pleased to state:

(a) the amount collected from the Port and Steel city of Vishakhapatnam by Union Government by way of (a) Central Excise, (b) Customs duty, (c) Income Tax etc. in 1984-85, 1985-86, 1986-87 and 1987-88;

(b) whether Union Government have considered the question of earmarking annually at least 1 per cent of the Central Revenues generated in Visakhapatnam by way of Taxes and duties for the overall growth and maintenance of the city; and

(c) whether any policy decision has been taken by Union government to set apart at least one percent of capital investments of its undertakings for the development of the Town?

THE MINISTER OF STATE IN THE DEPARTMENT OF REVENUE IN THE MINISTRY OF FINANCE (SHRI A.K.PANJA): (a) Information is being collected and will be laid on the Table of the House (b) and (c) Incurring of expenditure on the development and maintenance of



Vishakhapatnam is the responsibility of the State Government of Andhra Pradesh, who get their share of the proceeds of Central Taxes. The question of the Central Govt. earmarking any percentage of Central Tax proceeds etc. for the purpose does not arise.

#### **Clearance Given to Polavaram Project in A.P.**

9027. SHRI BHATTAM SRIRAMA MURTY: Will the Minister of WATER RESOURCES be pleased to state:

(a) whether the clearance has now been given by Union Government to Polavaram project in Andhra Pradesh;

(b) the issues sorted out and which are still being looked into at the Central Water Commission; and

(c) whether these issues stand in the way of according clearance?

THE MINISTER OF STATE IN THE MINISTRY OF WATER RESOURCES (SHRIMATI KRISHNA SAHI) : (a) to (c). Andhra Pradesh has been requested to submit a modified project report keeping in view the observations made by the Central appraising agencies.

#### **New Bank of India**

9028. SHRI CHINTAMANI JENA: Will the Minister of FINANCE be pleased to state:

(a) whether the New Bank of India has achieved a landmark with the completion of 50 years of service to the nation as reported in the "Times of India" on 31st March, 1988;

(b) whether the total advances of the Bank increased by Rs. 73.3 crores in 1987 due to improvements in the credit management and employment of an innovative tech-

nique "Leave jumping" for expeditious disposal of loan proposals;

(c) whether the bank was awarded grade "A" for achieving priority sector targets and sub-targets by the Union Government;

(d) if so, the names of other nationalised banks which have achieved progress like the New Bank of India and the names of those banks which are still under progress; and

(e) the details thereof, bank-wise?

THE MINISTER OF STATE IN THE DEPARTMENT OF ECONOMIC AFFAIRS IN THE MINISTRY OF FINANCE (SHRI EDUARDO FALEIRO) : (a) New Bank of India completed 50 years of its banking service in 1987;

(b) Yes, Sir.

(c) No such awards have been constituted by the Government.

(d) and (e). Overall performance of Public Sector Banks is periodically reviewed on different parameters with a view to ensure effective functioning of the Banks. All public Sector Banks have achieved the target of lending to priority sector

#### **Hike in Prices of Zinc and Nickel**

9029. SHRI YASHWANTRAO GADAKH PATIL: Will the Minister of COMMERCE be pleased to state:

(a) whether the Minerals and Metals Trading Corporation (MMTC) has recently increased its selling prices of zinc and nickel;

(b) if so, the details thereof and the

reasons therefor; and

(c) the effect on the small scale industrial units?

THE MINISTER OF STATE IN THE

MINISTRY OF COMMERCE (SHRI P.R. DASMUNSI) : (a) and (b). MMTC's selling prices of Zinc and Nickel have recently increased in the last 3 months due to the rise in international prices as follows:-

(Rs per M.T)

<i>Zinc</i>	<i>February, 1988</i>	<i>March, 1988</i>	<i>April, 1988</i>
Zinc High Grade	33000	34000	35500
Zinc Special High Grade	33200	34200	35700
Nickel		-	
Nickel Squares/Briquettes	225000	250000	350000
Nickel Pellets/F.shots/ strips	227000	252000	352000

(c) Recent increases in prices of Zinc and Nickel have not adversely affected lifting of these metals from MMTC by all categories of actual users, including small scale industrial units.

#### Central Water and Power Research Station

9030. SHRI MULLAPPALLY RAMACHANDRAN: Will the Minister of WATER RESOURCES be pleased to state:

(a) whether the Central Water and Power Research Station (C.W.P.R./S.) is contributing in the development of water resources;

(b) if so, the latest contribution made by C.W.P. R. S. ;

(c) whether there is any proposal under consideration of Union Government to expand the functions of C.W.P.R.S. and

(d) if so, the details thereof?

THE MINISTER OF STATE IN THE  
MINISTRY OF WATER RESOURCES  
(SHRIMATI KRISHNA SAHI) : (a) Yes, Sir.

(b) The Central Water and Power Research Station (C.W.P.R.S. ) is the premier national institute in the country devoted to research and development in water and energy resources and water borne transport. The research activities undertaken by C.W.P.R.S already cover a large area and encompass diverse fields such as hydrology, river training and flood control, bridge engineering, pumps and turbines, harbours, water waves and coastal protection works, structural design, foundation engineering etc. The latest contributions made by the C.W.P.R.S. are given in the statement below:

(c) No, sir.

(d) Does not arise.

### STATEMENT

*Latest contributions made by the Central Water and Power Research Station are in the following fields:*

1. Mathematical Modelling of water movement in Mahandi Delta.
2. Modernisation of Haryana Canal System
3. Channelisation of Ganga.
4. Testing of Several spillways including Sardar Sarovar and Narmadasagar.
5. Probable maximum flood studies for Narmada.
6. Hydrometeorological Network for Narmada.
7. Water yields at various sites of Godavari.

### Garment Export Agreement

9031. SHRI MULLAPPALLY RAMA-CHANDRAN: Will the Minister of TEXTILES be pleased to state the details of agreement entered into for major of garment during 1988-89?

THE MINISTER OF TEXTILES (SHRI RAM NIWAS MIRDHA): Government has not concluded any Bilateral Textile Agreement with any other Government during 1988-89. However, Bilateral Textile Agreements have been concluded for a period of five years effective from 1st January, 1987 with the following countries: U.S.A. Canada, E.E.C., Austria, Finland, Sweden and Norway.

### Training Programme for Handicrafts

9032. SHRI MULLAPPALLY RAMA-CHANDRAN: Will the Minister of TEXTILES be pleased to state:

(a) the details of the training programme for handicrafts sponsored by Union Government in minority concentration areas during 1987-88;

(b) the number of trainees belonging to minority communities benefited under the scheme; and

(c) the details of the programme proposed by Union Government to undertake during 1988-89 to promote handicrafts among the minority communities?

THE MINISTER OF TEXTILES (SHRI RAM NIWAS MIRDHA): (a) to (c). A statement is given below.

### STATEMENT

(a) Following training programmes were undertake in minority concentration areas during 1987-88:-

1. Carpet Weaving and Post-Weaving operation

175 Centres in J&K,

190 Centres in U.P. are functioning.

2. Artmetalware

a) Institutional training -10 Centres in

Moradabad  
Rampur  
Amroha  
Sambhal  
Najibabad

Kunderki  
Aligarh

b) Four training centres in Moradabad under Apprenticeship Training Scheme.

3. Cane & Bamboo

Advance Training Centres—35

Apprenticeship Training Centres—21

4. Hand-block engraving/printing

Institutional Training Centres—9

Apprenticeship Training Centres — 25

5. One apprenticeship training centre is functioning in Agra to impart training in Stone Carving.

6. Training Programme for educated children of craftsmen in business management were conducted in Ujjain, Nasik, Sagar and Ahmedabad.

(b) About 9962.

(No separate community-wise data are kept)

(c) The training programmes as indicated in part (a) above will be continued. Besides, the following programmes would be further intensified during 1988-89.

(i) Common Facilities Services in Farrukhabad and Ahmedabad for hand printed textiles.

(ii) Metal Craft Service Centre at Moradabad for electroplating/

lacquering.

**Functions of Quality Assurance and Monitoring Programme**

9033. SHRI MULLAPPALLY RAMACHANDRAN: Will the Minister of COMMERCE be pleased to state:

(a) the functions and power of the Quality Assurance Monitoring Programme;

(b) whether any tests/checks were carried out during 1987-88 under this programme;

(c) if so, the number of tests carried out and the findings thereof;

(d) whether the programme reaches all States/Union Territories; and

(e) if not, the details of its jurisdiction?

THE MINISTER OF STATE IN THE MINISTRY OF COMMERCE (SHRI P.R. DASMUNSI): (a) The Quality Assurance Monitoring Programme was started under the 7th Plan in the Directorate General of Supplies and Disposals with the following functions:

i) auditing of the inspection work done by the various Inspectors/Inspectorates;

ii) determining the efficiency of the measures taken for conformance of the quality of the stores inspected to comply with the stipulated specifications; and

iii) verification of the correctness of the method of sampling procedure adopted by the Inspector and its effect on the ultimate quality.

The Quality Assurance Monitoring Programme is entrusted to the Inspection Wing of the DGS&D which has the power to inspect the stores at both the supplier's and

the consignee's end.

(b) Yes, Sir.

(c) No. of tests carried out	.....	472
No. of tests where stores were found satisfactory.	.....	316
No. of tests where discrepancies were observed.	.....	054
No. of tests pending (waiting for laboratory reports etc.)	.....	102

(d) and (e). The Quality Assurance Monitoring Programme covers stores procured by DGS&D, in respect of which the inspection authority is the Inspection Wing of the DGS&D, and also the stores procured by other agencies including State Governments, the inspection of which is specifically entrusted to the Inspection Wing of the DGS&D.

#### **Opening of Branches of Nationalised Banks**

9034. PROF. NARAIN CHAND PARASHAR: Will the Minister of FINANCE be pleased to state:

(a) whether any licences for the opening of new branches of nationalised banks and Gramin Banks in the States of Himachal Pradesh, Punjab, Haryana and Jammu & Kashmir and Union Territories of Chandigarh and Delhi have been given by the Reserve Bank of India during the second half of 1987 and during 1988 so far; and

(b) if so, the names of the places,

district-wise, in each State/Union Territory, alongwith names of the nationalised banks to which the centres have been allotted and the likely dates by which the branches would be opened?

THE MINISTER OF STATE IN THE DEPARTMENT OF ECONOMIC AFFAIRS IN THE MINISTRY OF FINANCE (SHRI EDUARDO FALEIRO): (a) and (b). District-wise names of centres allotted by Reserve Bank of India (RBI) to Public Sector Banks and Regional Rural Banks in the States of Himachal Pradesh, Punjab, Haryana, Jammu & Kashmir and Union Territories of Chandigarh and Delhi during second half of 1987 and 1988 so far are set out in the statement below. RBI has advised the banks that branches at the allotted centres should be opened in a phased manner during the remaining period of the current Branch Licensing Policy upto March, 1990. As such, it is not possible at this stage to indicate the possible dates for opening branches at the allotted centres.

**STATEMENT**

*District-wise names of centres allotted by RBI to Public Sector Banks and Regional Rural Banks in the States of Himachal Pradesh, Punjab, Haryana, Jammu & Kashmir and Union Territories of Chandigarh and Delhi during second half of 1987 and 1988 so far*

**1. Himachal Pradesh**

<i>Name of District</i>	<i>Name of centre</i>	<i>Name of bank allotted to</i>
1	2	3
Solan	1. Nagaon	State Bank of Patiala
	2. Jabli	"
	3. Manpura	"
	4. Badhlabh	"
	5. Piplughat	Punjab National Bank
	6. Jagjit Nagar	"
Mandi	1. Sandhol	Punjab National Bank
	2. Gokhra	Himachal Gramin Bank
	3. Parmash	"
Kangra	1. Ghallour	Punjab National Bank
	2. Sansarpur Terrace	"
Hamirpur	1. Patlandar	"
	2. Kot	"
	3. Jaura Amb	"
	4. Garli	"
Una	1. Raipur	"
	2. Behdala	"

1	2	3
	3. Chambi	"
	4. Talmera	"
Bilaspur	1. Morsinghi	State Bank of Patiala
	2. Karloti	
2. Punjab		
Amritsar	1. Balkhurd	Gurdaspur Amritsar Kshetriya Gramin Bank
	2. Amritsar-New Gramin Market Bhagtanwala	State Bank of India
	3. Amritsar Indus- trial Focal Point	Punjab National Bank
Faridkot	1. Faridkot	Faridkot Bhatinda Kshetyria Gramin bank
Kapurthala	1. Husainpur	State Bank of Patiala
Patiala	1. Patila	Malva Gramin Bank
Ludhiana	1. Ludhiana-ICD	State Bank of India
	2. Ludhiana Dungri Road	
	3. Ludhiana Focal Point	Indian Bank
	4. Phiroz Gandhi Market	Punjab National Bank
Jalandhar	1. Jalandhar—Kapurthala Road,	Central Bank of India
	2. Jalandhar Focal Point	Punjab National Bank
	3. Jalandhar—Chandan Nagar	Union Bank of India

1	2	3
<b>3. Haryana</b>		
Karnal	1. Karnal-Gramin Market	State Bank of India
	2. Karnal-Chaura Bazar	Central Bank of India
	3. Panipat-Modal Town	Bank of Maharashtra
Hissar	1. Hissar-Patel Nagar	State Bank of India
	2. Hissar-Urban Estate-II	Union Bank of India
Bhiwani	1. Bhiwani-Vikas Nagar	State Bank of Patiala
	2. Bhiwani-Loharu Road	Union Bank of India
Faridabad	1. Faridabad-Sector 37	Punjab National Bank
Ambala	1. Yamuna Nagar-Saharanpur Road Motor Market	"
Sonepat	1. Sector-14 Near Bus Stand	Syndicate Bank
<b>4. Jammu and Kashmir</b>		
Anantnag	1. Kammer	State Bank of India
	2. Dhamkund	Punjab and Sind Bank
	3. Goha	State Bank of India
	4. Kara	"
	5. Udhyanpur	"
Jammu	1. Jogwan	"
	2. Khabal	"
	3. Jammu-Rehari Colony	"
	4. Jammu-New Sabzi Mandi	Central Bank of India
	5. Jammu-Exchange Road	Punjab and Sind Bank



1	2	3
	6. Jammu-Gandhinagar	United Bank of India
	7. Jammu-Transport Nagar	UCO Bank
	8. Sarote	Punjab National Bank
	9. Manwal	"
Srinagar	1. Barsoo	State Bank of India
	2. Harigannan	"
	3. Srinagar-Raj Bagh	"
	4. Srinagar-Lal Chowk	Andhra Bank
	5. Srinagar-Nowhalta	United Bank of India
Union Territory of Chandigarh		
	Chandigarh-Sector 41	State Bank of India
Union Territory of Delhi		
	1. Delhi Nizamudhin	State Bank of India
	2. Delhi Jhandewala Extension	"
	3. Delhi Vikaspuri	"
	4. New Delhi Pachim Vihar	"
	5. Delhi Dilshad Garden	"
	6. Delhi Minto Road Complex Ranjit Hotel	"
	7. Delhi Keshwapura	"
	8. Delhi Palika Bazar,	"
	9. New Delhi Saraswati Vihar	"
	10. New Delhi Moara Bagh	"

1	2	3
11. New Delhi Hotel Mourya Sheraton (Sardar Patel Road)		"
12. New Delhi-Indira Gandhi International Airport		"
13. Delhi Industrial Finance Branch		"
14. New Delhi Nehru Place	State Bank of Bikaner & Jaipur	
15. New Delhi Vasant Kunj		"
16. New Delhi Greater Kailash Part II	State Bank of Indore	"
17. New Delhi Rajori Garden		"
18. New Delhi Green Park	State Bank of Mysore	
19. New Delhi Rohini Commercial Complex	State Bank of Travancore	
20. New Delhi Industrial Finance Branch	State Bank of Patiala	
21. Delhi Rajori Garden	Allahabad Bank	
22. New Delhi Lajpat Nagar	Andhra Bank	
23. New Delhi Lawrence Road		"
24. New Delhi Karampura (Commercial Complex)	Bank of Baroda	
25. New Delhi Jedshar Nagar		"
26. New Delhi Hauz Khas Siri Industrial Area		"
27. Delhi Overseas Branch		"
28. Delhi Industrial Finance Branch		"
29. New Delhi Keshpur Village	Bank of India	

1	2	3
	30. New Delhi Saket	"
	31. New Delhi-Mayur Vihar	"
	32. New Delhi-Tohtarnagar	Canara Bank
	33. New Delhi-Vikas Sadan D.D.A. Office Complex	Central Bank of India
	34. New Delhi-Yojna Vihar	"
	35. New Delhi-Sanjay Gandhi Transport Nagar	
	36. New Delhi-Scope Complex	Dena Bank
	37. New Delhi-Saket	Indian Bank
	38. New Delhi Overseas Branch	"
	39. New Delhi Industrial Finance Branch	Indian Overseas Bank
	40. New Delhi Alaknanda Shopping Complex	"
	41. Delhi Overseas	New Bank of India
	42. Delhi Industrial Finance Branch	"
	43. Delhi Lakshmi Nagar	Oriental Bank of Commerce
	44. Delhi Overseas	"
	45. New Delhi Indira Gandhi University Madangiri	Punjab National Bank
	46. New Delhi Yamuna Vihar	Punjab National Bank
	47. Delhi Overseas	"
	48. Delhi Industrial Finance Branch	"
	49. New Delhi R.K.Puram Sector 8	Punjab and Sind Bank

1	2	3
	50. New Delhi Ranjit Nagar	"
	51. New Delhi Tri Nagar	Syndicate Bank
	52. Delhi Ashok Vihar	"
	53. New Delhi Bhikaji Kama Place	Vijaya Bank
	54. New Delhi South Extension	Union Bank of India
	55. New Delhi Okhla Industrial Estate	"

### **Window Dressing by Scheduled Commercial Banks**

9035. PROF. NARAIN CHAND PARASHAR: Will the Minister of FINANCE be pleased to state:

(a) whether the Reserve Bank of India has issued any warning to scheduled commercial banks not to inflate their deposits by window dressing of balance sheets;

(b) whether any banks have been found guilty of these malpractices during past three years; if so, names of banks concerned;

(c) whether a sum of Rs. fifty crores was withdrawn from branches of the Punjab National Bank, State Bank of India, Punjab & Sind Bank in the very first week of 1988;

(d) if so, whether any action has been taken by the Reserve Bank of India so as to ensure that bank managers do not indulge in practice of attracting short term deposits, which are managed in the last week of December to show progress in deposits and then disgorged in January of the following year;

(e) if so, the nature thereof; and

(f) if not, the reasons therefor?

THE MINISTER OF STATE IN THE DEPARTMENT OF ECONOMIC AFFAIRS IN THE MINISTRY OF FINANCE (SHRI EDUARDO FALEIRO): (a) Yes, Sir.

(b) As per the information received from Reserve Bank of India, Balance Sheets of the Banks for the last three years were duly audited by statutory auditors and in their opinion have exhibited a true and fair view of the affairs of Bank.

(c) to (f). Reserve Bank of India has reported that it is looking into the matter with a view to find out whether these banks resorted to any window dressing of their deposit figures for the year 1987.

### **Growth of Unauthorised Banks in Chandigarh and Delhi**

9036. PROF. NARAIN CHAND PARASHAR: Will the Minister of FINANCE be pleased to state:

(a) whether Government and the Reserve Bank of India have taken note of the growth of unauthorised banks in various parts of the country, particularly in Chandigarh and Delhi;

(b) whether the State Bank of Patiala, Union Bank of India, Indian Bank and same individual customers have complained against Chandigarh Urban Co-operative Bank;

(c) if so, the details thereof; and

(d) the action taken by the Reserve Bank of India/ Government in respect of the bank?

THE MINISTER OF STATE IN THE DEPARTMENT OF ECONOMIC AFFAIRS IN THE MINISTRY OF FINANCE (SHRI EDUARDO FALEIRO): (a) to (d). It is presumed that the question relates to the setting of urban cooperative banks. Reserve Bank of India (RBI) has reported that a primary credit society registered in Chandigarh was carrying on banking business and concerned Registrar of Cooperative Societies was advised to take corrective action. It has also been reported that the Registrar of Cooperative Societies, Chandigarh, has since superseded the board of directors on the Society and appointed an Administrator. RBI has further reported that the police authorities at Chandigarh have seized the records of the bank and sealed its premises. The Society had applied to RBI for licence to carry on banking business. National decision has been taken in this respect so far.

RBI has reported that it has no information about the growth of unauthorised cooperative banks in various parts of the country besides the case mentioned above.

**Complaints against Punjab and Sind Bank, Mubarakpur in Himachal Pradesh**

9037. PROF. NARAIN CHAND PARASHAR: Will the Minister of FINANCE be pleased to state:

(a) whether complaints of malpractices especially in the sanction of loans and

manipulation in the amount of loans have been reported against the Punjab and Sind Bank, Mubarakpur in Una District of Himachal Pradesh during past three years;

(b) if so, the exact complaints and the action taken by Government in respect of the bank authorities in the specific cases of malpractices including mis-appropriation of funds; and

(c) whether any relief has been provided to the innocent victims of these malpractices and the nature thereof?

THE MINISTER OF STATE IN THE DEPARTMENT OF ECONOMIC AFFAIRS IN THE MINISTRY OF FINANCE (SHRI EDUARDO FALEIRO): (a) Punjab and Sind Bank has reported that as per records of the Bank, no such complaints of malpractices appear to have been received against its Mubarakpur branch in Una District of Himachal Pradesh during the last three years.

(b) and (c). Do not arise.

**Chairman of Bank of India**

9038. SHRI KESHORAO PARDHI: Will the Minister of FINANCE be pleased to state:

(a) the details of trips made to Delhi by the Chairman of the Bank of India during the last three years and the reasons for making these trips and out of them how many trips were official and how many were unofficial; and

(b) the amount spent by the Bank on these trips and how these trips proved to be beneficial to the Bank?

THE MINISTER OF STATE IN THE DEPARTMENT OF ECONOMIC AFFAIRS IN THE MINISTRY OF FINANCE (SHRI EDUARDO FALEIRO): (a) and (b). During the period from 1-4-85 to 7-11-86, late Shri

T. Tiwari, former Chairman and Managing director of Bank of India had made 21 official trips to Delhi and a sum of Rs.60,648.78 was spent by the Bank for the above trips to cover his travelling expenses, lodging, boarding, etc. During the period from 24-6-87 till date, Shri R. Srinivasan, the present Chairman and Managing Director has made 7 official trips to Delhi and the total amount spent by the bank for these trips was Rs.22,740.95 which covered travelling expenses, lodging, boarding etc.

According to the information furnished by the bank, the above trips were made essentially for attending the meetings convened by the Government, Board meetings of the bank held at Delhi and in connection with other official business related to functioning and development of the business of the bank.

#### **Investment in Aerated Water Industry**

9039. SHRI HAFIZ MOHD. SIDDIQ: Will the Minister of FINANCE be pleased to state:

(a) whether Section 32AB of the Excise Act is not applicable to the investment made in aerated water industry; and

(b) if so, whether Government do not encourage investment in aerated water industry?

THE MINISTER OF STATE IN THE DEPARTMENT OF REVENUE IN THE MINISTRY OF FINANCE (SHRI A.K. PANJA): (a) and (b). The Central Excise and Salt Act, 1944 does not contain any section '32AB'. It appears that the Hon'ble Member of Parliament is referring to Section 32AB of Income-tax Act, 1961. The business of manufacture or production of aerated water is listed in Schedule -XI of the Income-tax Act, 1961. Units manufacturing such items do not qualify for deduction under

section 32AB of the Income-tax Act unless the manufacturing is done in a small scale unit. The manufacture or production of aerated water does not appear to need any fiscal support by way of tax concession in units other than small scale units.

#### **IFC Offer on Co-Financing of Projects**

9040. SHRI PARASRAM BHARDWAJ: Will the Minister of FINANCE be pleased to State:

(a) whether Government's attention is drawn to the 'Hindustan Times' dated 2nd April, 1988 that the International Finance Corporation, an affiliate of the World Bank, has offered to co-finance many projects in India with the International commercial banks;

(b) if so, the details in this regard; and

(c) the reaction of Government in this regard?

THE MINISTER OF STATE IN THE DEPARTMENT OF ECONOMIC AFFAIRS IN THE MINISTRY OF FINANCE (SHRI EDUARDO FALEIRO): (a) to (c). Government have seen the news item. Our present policy is to allow investment by International Finance Corporation, Washington, in Indian projects only to the extent they can provide from their own resources. No proposal of IFC assistance for syndicating loans from other external agencies is under consideration.

#### **Installation of Electronic Equipments in Nationalised Banks**

9041. SHRI R.M. BHOYE. Will the Minister of FINANCE be pleased to state:

(a) whether Government have issued instructions to all the nationalised banks to install sophisticated electronic equipments as a safeguard against robberies; and

(b) if so, whether this scheme has got success so far as the question of attempt of robberies are concerned?

THE MINISTER OF STATE IN THE DEPARTMENT OF ECONOMIC AFFAIRS IN THE MINISTRY OF FINANCE (SHRI EDUARDO FALEIRO): (a) and (b). The High Power Working Group which had been appointed by Government to go into the question of bank security had *inter alia* made recommendations for the installation of appropriate alarm system, time-lock devices, closed circuit T.Vs. etc. in bank branches. Reserve Bank of India has reported that banks have been implementing the various recommendations of the working Group, in a phased manner.

Keeping in view the necessity to ensure that the equipment installed is cost-effective and is otherwise appropriate for the security requirements of each bank branch no specific instructions have been issued to public sector banks for installation of sophisticated electronic equipment.

#### **Growth of Currency with the Public**

9042. DR. B.L. SHAILESH: Will the Minister of FINANCE be pleased to state:

(a) whether an analysis by components of the variations in money stock over the last three years indicates a steady acceleration in the rate of growth of the currency with the public;

(b) if so, the spurt in expansion during 1987-88;

(c) whether Government have studied the causes for such a spurt in the currency with public, if so, their reading of the situation; and

(d) the various measures — fiscal, administrative and others, being taken to

check this trend?

THE MINISTER OF STATE IN THE DEPARTMENT OF ECONOMIC AFFAIRS IN THE MINISTRY OF FINANCE (SHRI EDUARDO FALEIRO): (a) and (b). On last Friday of March basis, currency with public increased by 17.5 per cent in 1987-88, as against the increase of 13.6 percent and 11 percent in 1986-87 and 1985-86 respectively.

(c) and (d). Variation in currency with the public in a particular year is mainly dependent upon the growth in real incomes and the rise in prices. In addition, several other factors also influence the public's preference for cash holdings, such as sharp variations in agricultural production, public sector procurement operations, and drought relief programmes involving cash and credit disbursements among the rural and farming families. The Government, in consultation with the Reserve Bank of India, has been keeping a close watch on the growth of money supply (M3) and taking appropriate measures from time to time to contain it within prudent limits.

#### **ESCAP Report**

9044. DR. B.L. SHAILESH: Will the Minister of COMMERCE be pleased to state:

(a) whether Government have seen the report of the Economic and Social Commission for Asia and the Pacific (ESCAP) presented and considered at the forty-fourth Session of the Commission held at Jakarta in this month;

(b) whether Government have also examined the various suggestions made therein to shore up commodity prices on which the economics of the ESCAP region depend to a large extent viz., coconut, pepper, natural rubber etc; and

(c) if so, Government's reaction thereto?

THE MINISTER OF STATE IN THE MINISTRY OF COMMERCE (SHRI P.R. DASMUNSI): (a) Yes, Sir.

(b) and (c). The ESCAP report contains some general suggestions but no specific recommendations have been made for shoring up commodity prices. Government of India has been supporting various measures for strengthening cooperation in trade in primary commodities, both at the Regional and at the global level. India is a member of various International and Regional associations/ organisations dealing, inter-alia, with coconut, pepper and natural rubber.

#### **Steps to Improve Industrial Relations in Two N.T.C. Mills of Bangalore**

9045. SHRI SURESH KURUP: Will the Minister of TEXTILES be pleased to state:

(a) the steps being taken by Government to improve the industrial relations in the two National Textile Corporation mills at Bangalore, namely, Mysore Spinning and Manufacturing Mills and Minerva Mills and to ensure proper functioning of the mills; and

(b) if so, the details thereof?

THE MINISTER OF TEXTILES (SHRI RAM NIWAS MIRDHA): (a) and (b). No particular strain on the industrial relations in Mysore Spinning and Manufacturing Mills and Minerva Mills has been reported.

#### **Development Officers in Life Insurance Corporation of India**

9046. SHRI SYED SHAHABUDDIN: Will the Minister of FINANCE be pleased to state:

(a) the last date of revision of the terms

and conditions of the Development Officers employed by the Life Insurance Corporation of India;

(b) whether the revision was made unilaterally or in consultation with the recognised representative body of the Development Officers;

(c) the total number of Development Officers as on 1st January, 1988;

(d) whether it is a fact that the services of a number of Development Officers have been terminated since the new rules come into force;

(e) if so, the number of such cases, year-wise, during the last three years;

(f) whether it is a fact that the emoluments of a number Development Officers were reduced in the following year; and

(g) if so, the number of such cases during the last three years, year-wise?

THE MINISTER OF STATE IN THE DEPARTMENT OF ECONOMIC AFFAIRS IN THE MINISTRY OF FINANCE (SHRI EDUARDO FALEIRO): (a) and (b). The revised terms and conditions affecting pay and other benefits of Class II Officers known as Development Officers of the LIC were notified by Government on 17.9.1986 effective from 1.4.1984. This was based on the consensus arrived at during discussion of the representatives of the Development Officers with the LIC Management. Special provisions relating to Development Officers, commonly known as work norms, were last revised in 1978. Before this revision, there were several rounds of discussions between the representatives of Development Officers, LIC and Government. As no agreement could be reached a notification prescribing the Work Norms was issued in 1978.



(c) The figures of total number of Development Officers as on 1.1.88 are not readily available. The total number of such officers as on 31.3.87 was 9458.

(d) to (g). Since the wage revision of the Development Officers was done on 17.9.86, the result of final determination of appraisals on the basis of revised pay structure of these officers including arrears will be known only after the appraisals ending 31.8.1990 are completed. However, the number of Development Officers facing termination has come down from 2.7% in 1982-83 to 1.5 in 1985-86 and those facing disincentives has come down from 14.8% in 1982-83 to 8.4% in 1985-86.

#### **Import of Capital Goods**

9047. SHRI BALASAHEB VIKHE  
PATIL:  
SHRI BHADRESWAR TANTI:

Will the Minister of FINANCE be pleased to state:

(a) whether a working group comprising of officials of the Ministries of Finance and Commerce was constituted by Government on the import of capital goods;

(b) if so, the purpose for which it was constituted and the main recommendations of the group; and

(c) the action taken by Government thereon?

THE MINISTER OF STATE IN THE DEPARTMENT OF REVENUE IN THE MINISTRY OF FINANCE (SHRI A.K. PANJA): (a) Yes, Sir.

(b) The Group was constituted to consider various proposals relating to exemption from customs duty for machinery and other goods required for specified export

trust industries. The main recommendation of the Group was to extend customs duty concession to certain items of machinery required for the gem and jewellery, leather, tea and textile industries. The Group also recommended concessional rate of duty for machinery required for the bicycle industry, subject to suitable export obligation.

(c) The recommendations of the Group were considered and decisions thereon announced as part of this year's Budget.

#### **Loans to Farmers**

9048. SHRI H.B.PATIL: Will the Minister of FINANCE be pleased to state:

(a) the names of the institutions which give loans to farmers;

(b) the details of the loan received by each institution from the World Bank during last three years;

(c) the amount of loans these institutions have taken from the Indian and other foreign sources during the last three years; and

(d) the amount of loan given by these institutions to farmers during the last three years, State-wise and at what rate of interest?

THE MINISTER OF STATE IN THE DEPARTMENT OF ECONOMIC AFFAIRS IN THE MINISTRY OF FINANCE (SHRI EDUARDO FALEIRO): (a) and (b). The farmers can avail loan facilities from Public Sector Banks, Regional Rural Banks, other scheduled commercial banks and cooperative banks including Land Development Banks. These institutions do not directly receive loans from the World Bank which is generally channelised through NABARD as a part of its annual lending programme.

(c) and (d). The information is being collected and to the extent available will be laid on the Table of the House.

#### **Development on Co-operative Institutions in Rural Areas**

9049. SHRI G.S.BASAVARAJU:  
SHRI S.B.SIDNAL:

Will the Minister of FINANCE be pleased to state:

(a) whether the banking authorities have been directed to help develop co-operative institutions in rural areas and mechanism to ensure adequate and timely credit support to the small scale industries;

(b) if so, the assistance that the banks have agreed to provide to develop co-operative institutions in rural areas; and

(c) the extent to which the schemes prepared by Government for urban development will be helped and supported by the banks during 1988-89?

THE MINISTER OF STATE IN THE DEPARTMENT OF ECONOMIC AFFAIRS IN THE MINISTRY OF FINANCE (SHRI EDUARDO FALEIRO): (a) and (b). The Government have requested the States for suggestions regarding the role that Reserve Bank of India, National Bank for Agriculture and Rural Development and the banks could play in promoting the growth of co-operative sector on sound financial lines.

(c) Urban development is primarily the responsibility of the respective Local Government authorities and autonomous bodies constituted for this purpose. Banks, however, provide assistance for selected bankable schemes in urban areas also. The banks have been advised to enhance their annual allocation for housing finance, including such finance for the urban areas,

from Rs.150 crores to Rs.225 crores for the year 1988 and Rs.300 crores for the year 1989.

#### **Austerity Measures Due to Drought**

9050. DR.V.VENKATESH: Will the Minister of FINANCE be pleased to state:

(a) whether Government had issued any instructions to State governments and Union Territories to take austerity measures as the country is reeling under drought;

(b) if so, whether despite these instructions there are some States or Undertakings which are incurring wasteful expenditures; and

(c) if so, the details thereof?

THE MINISTER OF STATE IN THE DEPARTMENT OF EXPENDITURE IN THE MINISTRY OF FINANCE (SHRI B.K. GADHVI): (a) Copies of the instructions issued by the Central Government for effecting economy in expenditure were forwarded to State Governments and Union Territories for information and guidance.

(b) and (c). No specific instance of incurring of wasteful expenditure by any Central Undertaking has been brought to notice. As for State Government it is for the Governments concerned to adopt such economy measures as they deem fit.

#### **Irrigation Rate in Command Area Development**

9051. SHRI H.N.NANJE GOWDA: Will the Minister of WATER RESOURCES be pleased to state:

(a) whether the Government of Karnataka will enhance the water rate on the farmer under the command areas of irrigation projects;

(b) if so, whether it will not be a burden on the farmers;

(c) if so, whether the State Government has requested any assistance in this regard from Union Government; and

(d) if so, the steps being taken in the matter?

THE MINISTER OF STATE IN THE MINISTRY OF WATER RESOURCES (SHRIMATI KRISHNA SAHI): (a) The government of Karnataka have reported that proposals for enhancing the water rates are being worked out by them which would meet the operation and maintenance costs.

(b) In view of above, question does not arise.

(c) and (d). No request has been received from the Government of Karnataka for assistance in this regard.

[Translation]

### Export of Fans

9052. SHRI SHANTI DHARIWAL: Will the Minister of COMMERCE be pleased to state:

(a) whether India has been a leading exporter of fans;

(b) if so, whether there is likelihood of a heavy fall in the export of fans this year;

(c) if so, whether Government have ascertained the causes thereof;

(d) if so, the details in this regard; and

(e) the concrete steps taken by Government to check the fall in the export of fans?

THE MINISTER OF STATE IN THE MINISTRY OF COMMERCE (SHRI PRIYA

RANJAN DASMUNSI): (a) and (b). India has been exporting electric fans, particularly ceiling fans, to a number of countries. As per provisional figures available with Engineering Export Promotion Council, exports of electric fans and parts during 1985-86 and 1986-87 amounted to Rs.680 lakhs and Rs.700 lakhs respectively. During 1987-88 exports of this items are estimated to be around Rs.700 lakhs.

(c) to (e). Do not arise.

[English]

### National Fund for Tea Research and Development

9053. SHRI S.B.SIDNAL:  
SHRI G.S.BASAVARAJU:

Will the Minister of COMMERCE be pleased to state:

(a) whether a national fund for research and development of tea is proposed to be set up; and

(b) if so, the details thereof?

THE MINISTER OF STATE IN THE MINISTRY OF COMMERCE (SHRI P.R. DASMUNSI): (a) and (b). Yes, Sir. A Corpus of Rs.10 crores had been raised to make available fund for tea research from the earnings to be accrued in the form of interest. A sum of Rs. 4 crores would be contributed by the tea industry in the North India and Rs.1 crore would be contributed by the tea industry in the South India. A matching contribution of Rs.5 crores would be made by National Bank for Agriculture and Rural Development.

### Excise Duty Concessions to Small Agro Based Paper Mills

9054. SHRI S.M.GURADDI: Will the Minister of FINANCE be pleased to state:

(a) whether the Indian Agro Paper Mills Association has urged Government to make available to small agro-based paper mills the excise duty concessions of Rs. 300 per tonne;

(b) if so, what are the other suggestions made by them;

(c) how many of them have been accepted;

(d) whether any duty concession for small paper mills is given; and

(e) if so, to what extent?

THE MINISTER OF STATE IN THE DEPARTMENT OF REVENUE IN THE MINISTRY OF FINANCE (SHRI A.K.PANJA): (a) and (b). Yes, Sir. The Indian Agro Paper Mills Association has, in its representation dated the 16th March, 1988, requested the Government to extend excise duty concession of Rs.300 per tonne announced in this year's budget to small agro-based paper mills. The Association has also requested for grant of complete exemption to paper manufactured from agricultural residues and to restrict the excise duty concession for bagasse—based paper to paper made from indigenous bagasse.

(c) None of the suggestions has been accepted.

(d) and (e). The general scheme of excise duty exemption for the small scale industries is available for small scale paper mills also. In addition, there is a separate scheme of exemption under which paper and paper board manufactured by small paper mills are levied concessional rates of excise duty varying from Rs.300 per tonne to Rs.1,500 per tonne, depending upon the quantum of clearances and subject to certain conditions.

### **Establishment of Production bases by Japan in India**

9055. DR.V.VENKATESH: Will the Minister of COMMERCE be pleased to state:

(a) whether Japan proposes to establish "Production bases" in India;

(b) if so, whether any joint statement by India and Japan was signed in this regard in December, 1987; and

(c) if so, the salient features of the agreement?

THE MINISTER OF STATE IN THE MINISTRY OF COMMERCE (SHRI P.R. DASMUNSI): (a) and (b). The 20th Joint meeting of the Japan-India Business Cooperation Committee between FICCI and Japan Chambers of Commerce and Industry was held in Tokyo on 1st and 2nd December, 1987. In the joint statement issued, both sides appreciated that in view of the high cost of production in Japan in some of the labour intensive products it may be worthwhile for Japan to establish production bases in India to cater to Indian needs as also for exports to third countries.

(c) No agreement has been signed.

### **Handloom Industry in Assam**

9056. SHRI BHADRESWAR TANTI: Will the Minister of TEXTILES be pleased to state:

(a) whether any allocation of funds has been made for the development of handloom industry in Assam in the Seventh Plan and in Eighth Plan;

(b) if so, the details thereof; and

(c) the progress achieved in the devel-

opment of handloom industry till-date in the above state?

THE MINISTER OF TEXTILES (SHRI RAM NIWAS MIRDHA): (a) and (b). As allocation of funds for the handloom sector is made schemewise and not statewide, assistance to States, including Assam, under most of the Schemes is provided on a matching basis, according to the proposals received from the State Governments, from

time to time.

(c) A statement showing the releases made by the Central Govt. for the development of the handloom industry in Assam upto 1987-88 is given below. As a result, during 1986-87, the State Primary Societies have achieved a level of production of handloom cloth valued at Rs.678 lakhs. In addition, 8710 handlooms have been modernised in the State with Central Assistance.

#### STATEMENT

<i>Sl. No.</i>	<i>Name of the Scheme</i>	<i>(Rs. in lakhs)</i>
1.	Share Capital assistance to Primary Weavers Coop. Societies.	82.36
2.	Share Capital Assistance to Apex Coop. Societies.	31.44
3.	Share Capital Assistance to State Handloom Development Corporation (Assam Govt. Marketing Corporation).	35.00
4.	Assistance for Modernisation/ Renovation/ Purchase of looms.	54.62
5.	Managerial Subsidy.	26.22
6.	Assistance for creation of Pre-loom/ Post-loom processing facilities.	24.00
7.	Workshed-cum-Housing Scheme.	15.00
TOTAL		268.64

#### Credit to SCICI by Commonwealth Development Corporation

9057. SHRIMATI BASAVARAJESWARI: Will the Minister of FINANCE be pleased to state:

(a) whether the Commonwealth Development Corporation, a UK Government finance agency, has signed an agreement to

provide credit to the Shipping Credit & Investment Company of India;

(b) if so, the main features of the agreement;

(c) the total credit proposed to be provided;

(d) the extent to which this credit will be

utilised for acquisition of new ships and fishing trawlers by private sector companies; and

(e) the time by which the agreement is likely to be implemented?

THE MINISTER OF STATE IN THE DEPARTMENT OF ECONOMIC AFFAIRS IN THE MINISTRY OF FINANCE (SHRI EDUARDO FALEIRO): (a) to (e). The Shipping Credit and Investment Company of India (SCICI) has signed an agreement on 7.3.88 with the Commonwealth Development Corporation (UK) for raising 10 million pounds sterling for further lending for acquisition of shipping and fishing vessels, and for allied activities. The loan amount, which will carry interest at 8.5% per annum, will have to be repaid by SCICI in 25 equal semi-annual instalments commencing from 31st Jan., 1991. The facility will be available till 31st December 1989. SCICI has reported that the facility will be utilised for acquisition of shipping and fishing vessels in the private sector during the availability period.

#### **Excise Duty Evasion by G.T.C.Limited**

9058. SHRI M.RAGHUMA REDDY:  
SHRI PRAKASH CHANDRA:  
SHRI BANWARI LAL PURO-  
HIT:  
SHRI SRI HARI RAO:  
SHRI SUBHASH YADAV:

Will the Minister of FINANCE be pleased to state:

(a) whether Government's attention has been drawn to the press report appearing in "The Hindustan Times" dated 1st April, 1988, wherein it is stated that M/s. Golden Tobacco Company Limited in Bombay had been charged with massive excise duty evasion amounting to Rs.120 crores;

(b) if so, the facts in regard thereto;

(c) whether any arrest has been made in this regard;

(d) whether any action has been taken or is proposed to be taken by Government against the Company; and

(e) if so, the details thereof?

THE MINISTER OF STATE IN THE DEPARTMENT OF REVENUE IN THE MINISTRY OF FINANCE (SHRI A.K.PANJA): (a) Yes, Sir.

(b), (d) and (e). The various matters are either subjudice or under adjudication. It would not be appropriate to reveal details at this stage.

(c) No, Sir.

#### **Exports Position**

9059. SHRI M.RAGHUMA REDDY:  
SHRI SRI HARI RAO:  
SHRI SUBHASH YADAV:  
SHRI PRAKASH CHANDRA:

Will the Minister of COMMERCE be pleased to state:

(a) the names of commodities whose export has suffered due to drought conditions during the past three years;

(b) the names of commodities whose export has suffered due to protectionist policies of industrialised countries during the last three years;

(c) the estimated loss in term of foreign exchange; and

(d) the measures contemplated by Government to regain the position and make up the loss in successive years?

THE MINISTER OF STATE IN THE

**MINISTRY OF COMMERCE (SHRI P.R. DASMUNSI):** (a) The commodities whose export has suffered from time to time due to drought conditions during the past three years include agro-based items like cashew kernels, spices, oil-cakes, cotton raw, etc.

(b) The products which have suffered from protectionist policies of industrialised countries are mainly textiles, clothing and iron and steel items.

(c) It is not possible to precisely estimate the loss in terms of foreign exchange, as export earnings are based on a number of factors such as demand and supply, unit prices, exchange rate, etc.

(d) Among the measures taken by the Government are programmes to increase the production and productivity of agro-based items which suffered setback due to drought conditions. Efforts are also being made bilaterally to alleviate protectionist measures in specific areas and multilaterally to preserve and strengthen multilateral trading system.

#### **Expenditure on Export Promotion of Tea**

9060. **SHRI M.RAGHUMA REDDY:**  
**SHRI PRAKASH CHANDRA:**  
**SHRI SRI HARI RAO:**  
**SHRI SUBHASH YADAV:**

Will the Minister of COMMERCE be pleased to state:

(a) whether Government's attention has been drawn to the newsitem which appeared in the Blitz dated 26th March, 1988 under the caption "The tea party is over" pointing out that Indian tea is losing international market;

(b) if so, the facts on the points raised therein;

(c) what are the reasons for the Indian tea losing world market;

(d) how much expenditure was incurred in foreign exchange during the last 3 years for promotion of Indian tea in foreign countries; and

(e) whether the expenditure was commensurate with the results achieved?

**THE MINISTER OF STATE IN THE MINISTRY OF COMMERCE (SHRI P.R.DASMUNSI):** (a) Yes, Sir.

(b) and (c). It is not correct to say that Indian tea is losing the international market. The concerned article was not based on facts and their correct appreciation.

(d) Under the head 'Tea Promotion Outside India', Tea Board spent Rs.282 lakhs in 1984-84, Rs.267 lakhs in 1985-86 and Rs.343 lakhs in 1986-87.

(e) We have not only retained our share of global exports but also maintained a consistently high unit value realisation.

#### **Share Transfer System**

9061. **SHRI BALASAHEB VIKHE PATIL:** Will the Minister of FINANCE be pleased to state:

(a) whether the existing system of share transfer is creating many problems,

(b) if so, whether Government propose to streamline the share transfer system;

(c) whether any working group has been set up to find solution to problems relating to share transfer problems;

(d) if so, whether the group has submitted its report; and

(e) if so, the broad features thereof?

THE MINISTER OF STATE IN THE DEPARTMENT OF ECONOMIC AFFAIRS IN THE MINISTRY OF FINANCE (SHRI EDUARDO FALEIRO): (a) to (c). Taking into account the various aspects of the share transfer problem, this Ministry had constituted a Working Group in November, 1987 to suggest, inter alia, measures for simplification of the existing system of share transfer in respect of companies listed on Stock Exchanges.

(d) and (e). The Working Groups has submitted its report in December, 1987. Some of the more important recommendations made by the Working Group are the following:—

- (i) modifications in the format of the share transfer form and in the application form for extension of time of validity period of the share transfer form;
- (ii) authorising the Registrars of Companies of the State in which the transferee resides, in addition to the Registrars of Companies of the State in which the Registered office of the company is situated to extend the validity period of the share transfer form;
- (iii) observing "Special Clearance Month" by the Registrars of Companies for speedy disposal of applications for revalidation of existing outdated transfer deeds;
- (iv) permitting a member of a recognised Stock Exchange through whom the shares are introduced or a manager of the transferor's bank with whom the transferor has account, in addition to the existing prescribed authorities,

to attest variation in signature, etc. of the transferor in the share transfer form.

#### **State Funding to Public Sector**

9062. SHRI BALASAHEB VIKHE PATIL: Will the Minister of FINANCE be pleased to state:

(a) whether Government propose to 'slow down' State funding of the Public Sector;

(b) if so, whether Government propose to raise a large portion of funds from the capital market beginning with the Eighth Five Year Plan; and

(c) if so, the details thereof and the reasons therefor?

THE MINISTER OF STATE IN THE DEPARTMENT OF EXPENDITURE IN THE MINISTRY OF FINANCE (SHRI B.K.GADHVI): (a) No, Sir.

(b) and (c). Do not arise.

#### **Trade Balance with USSR**

9063. SHRI BALASAHEB VIKHE PATIL:  
SHRI C.K.KUPPUSWAMY:

Will the Minister of COMMERCE be pleased to state:

(a) whether the USSR has been laying great stress in the balance of trade between the two countries;

(b) if so, whether new areas have to be delineated for economic cooperation between the two countries; and

(c) if so, the details thereof?



THE MINISTER OF STATE IN THE MINISTRY OF COMMERCE (SHRI P.R.DASMUNSI): (a) to (c). Since India's trade with the USSR is being conducted on the basis of payments in non-convertible Indian Rupees and on a balanced basis, both India and the USSR are continuously striving to enhance and balance the bilateral trade. Apart from continuous efforts to diversify and enhance the trade basket by adding new items, efforts are also being made to expand areas of mutual cooperation in such fields as Civil Aviation, railways, petroleum, electronics, agriculture, etc. New forms of cooperation such as joint ventures, production cooperation, cooperation in services sector, etc. are also being encouraged.

**Digging of Tubewells in Chhota Udaipur of Baroda District**

9064. SHRI AMARSINH RATHAWA: Will the Minister of WATER RESOURCES be pleased to state:

(a) the number of tube wells so far dug in adivasi area of Chhota Udaipur constituency in Baroda district of Gujarat State;

(b) whether Government are aware that the people of this area are facing great difficulty to get water for irrigation of their agriculture products;

(c) whether Government propose to dig more tube wells to ease the situation in the State during the year 1988-89; and

(d) if so, the details thereof?

THE MINISTER OF STATE IN THE MINISTRY OF WATER RESOURCES (SHRIMATI KRISHNA SAHI): (a) to (d). Minor Irrigation Scheme including tube wells are ordinarily planned, funded and implemented by State governments and for them no clearance is necessary from the Centre. The Central Government provides assis-

tance to States through Centrally Sponsored Schemes to accelerate minor irrigation Programmes. Districtwise planning for minor irrigation development is not done at the Central level.

**Compulsory Retirement of Employees In Income Tax Department, Karnataka Circle**

9065. SHRI V.S.KRISHNA IYER: Will the Minister of FINANCE be pleased to state:

(a) the total number of employees in different cadres compulsorily retired since 1986 in the Income Tax Department, Karnataka Circle;

(b) whether it has come to the notice of Government that some of these compulsory retirement were made under special directive of the Chairman;

(c) whether any representation has been received for the indiscriminate use of the powers by the concerned Authorities; and

(d) if so, the steps taken or proposed to be taken by Government in this regard?

THE MINISTER OF STATE IN THE DEPARTMENT OF REVENUE IN THE MINISTRY OF FINANCE (SHRI A.K. PANJA): (a) In March, 1988, one Group 'C' employee of the Karnataka Charge was awarded the major penalty of "compulsory retirement" under Rule 11 (vii) of the Central Civil Services (Classification, Control and Appeal) Rules, 1965. Earlier, in January, 1986, certain Income-tax Officers had been retired in that Charge as per details given below, namely:—

- (i) Three Group 'A' Income-tax Officers retired under Rule 56 (j) of the Fundamental Rules;

- (ii) Four Group 'B' Income-tax Officers retired under the said Rule 56 (j); and
- (iii) One Group 'B' Income-tax Officer retired under Rule 48 of the Central Civil Services (Pension) Rules, 1972.

(b) No, Sir. Action for retirement in these cases was taken having regard to the facts and circumstances of each case, and not because of any special directive of the Chairman, Central Board of Direct Taxes in relation to any of these cases.

(c) The aforesaid eight Income-tax Officers had made representations before the Representation Committee, but all these representations were rejected. The eight officers also challenged the orders of retirement before the Central Administrative Tribunal, Bangalore Bench, which upheld the orders.

(d) The relevant Rules contain adequate safeguards by way of representation or, as the case may be, appeal before the appropriate authority against orders of retirement.

#### **Demand of Indian Condoms**

9066. SHRI V.S.KRISHNA IYER: Will the Minister of COMMERCE be pleased to state:

(a) whether Government are aware that there is a great demand for condoms manufactured in India;

(b) if so, whether condoms are being exported;

(c) the earnings therefrom during 1987; and

(d) the steps being taken to boost export

of condoms?

THE MINISTER OF STATE IN THE MINISTRY OF COMMERCE (SHRI P.R. DASMUNSI): (a) and (b). Yes, Sir.

(c) According to the data compiled by Chemicals and Allied Products Export Promotion Council, rubber condoms valued at Rs.39.4 lakhs were exported during 1987.

(d) Exports of rubber condoms are eligible for Cash Compensatory support @ 8% and import replenishment @ 10% of f.o.b. value. Exports are also eligible for duty free import of raw materials under DEEC Scheme.

#### **Working Hours for Watchmen in Income Tax Department, Karnataka Circle**

9067. SHRI V.S.KRISHNA IYER: Will the Minister of FINANCE be pleased to state:

(a) the working hours for Watchmen in Income Tax Department Offices in Karnataka Circle;

(b) whether there is any demand from the existing Watchmen to limit their working hours to eight hours; and

(c) if so, whether any action has been taken to increase the sanctioned strength and to regulate their working hours to eight hours per day?

THE MINISTER OF STATE IN THE DEPARTMENT OF REVENUE IN THE MINISTRY OF FINANCE (SHRI A.K.PANJA): (a) Working hours for Watchmen in the Income Tax Department at Bangalore are eight hours for each shift. At other places in Karnataka, watchmen are engaged for night duty only.

(b) No such demand has been made to the Government by the watchmen in the

Income Tax Department at Karnataka.

(c) Does not arise in view of answer to part (b) of the Question.

### **Pigmy Agents Working In Syndicate Bank**

9068. SHRI V.S.KRISHNA IYER: Will the Minister of FINANCE be pleased to state:

(a) the total number of pigmy agents working in the Syndicate Bank in Karnataka;

(b) whether Government are aware that these pigmy agents have been working for the past 8-10 years;

(c) the commission given to them per month; and

(d) whether there is any proposal before Government to absorb them permanently in view of their long service?

THE MINISTER OF STATE IN THE DEPARTMENT OF ECONOMIC AFFAIRS IN THE MINISTRY OF FINANCE (SHRI EDUARDO FALEIRO): (a) to (d). Syndicate Bank has reported that the total number of pigmy deposit agents working in the bank in Karnataka State as on 31st December, 1987 is 1327, some of whom working for over 8/10 years. The total amount of commission paid to all pigmy deposit agents in Karnataka during 1987 is reported to be about Rs.7,27,000 per month. The bank has also reported that the Pigmy deposit agents have demanded for their absorption in permanent service of the bank over which an Industrial Dispute is pending before the Tribunal and

therefore, the matter is sub-judice at present.

### **Financial Crisis In Sea Food Exporting Companies**

9069. PROF.K.V.THOMAS: Will the Minister of COMMERCE be pleased to state:

(a) whether there is a financial crisis in the sea food exporting companies; and

(b) if so, the action taken to help these companies?

THE MINISTER OF STATE IN THE MINISTRY OF COMMERCE (SHRI P.R.DASMUNSI): (a) No, Sir.

(b) Does not arise.

### **Income Tax Raids in Kerala**

9070. SHRI K.V.THOMAS: Will the Minister of FINANCE be pleased to state:

(a) the number of raids conducted by the Income Tax Department in Kerala during the last three years;

(b) the outcome of these raids; and

(c) the cases registered?

THE MINISTER OF STATE IN THE DEPARTMENT OF REVENUE IN THE MINISTRY OF FINANCING (SHRI A.K. PANJA): (a) to (c). The Income Tax Department in Kerala conducted searches as under:—

<i>Years</i>	<i>No. of Searches</i>	<i>Approximate value of assets seized (Rs. in lakhs)</i>
1	2	3
1985-86	284	140.87

1	2	3
1986-87	256	91.59
1987-88	195	140.56

During the financial year 1987-88, the persons searched admitted concealment of income to the tune of Rs.112.34 lakhs. Appropriate action under the Direct Tax Acts such as investigations, assessments, penalties, prosecutions etc. is taken. Prosecutions have already been launched in 21 cases out of the cases where searches were conducted during the last three years.

#### **Printing of Currency Notes to Cover Budget Deficit**

9071. SHRI MANIK REDDY: Will the Minister of FINANCE be pleased to state:

(a) the amount and denomination of currency notes which were printed extra by Government to cover deficit in the budget for the year 1986-87;

(b) the same details for the years 1984-85 and 1985-86; and

(c) whether there is any move to stop such practice of printing currency notes?

THE MINISTER OF STATE IN THE DEPARTMENT OF EXPENDITURE IN THE MINISTRY OF FINANCE (SHRI B.K.GADHVI): (a) and (b). The budgetary deficit of the Central Government is mainly met by sale of treasury bills to RBI and other parties. Of this, treasury bills with RBI are treated as eligible assets for backing currency. The actual issue of currency by Reserve Bank of India, however, depends on various economic and monetary factors and not on government deficits only.

(c) Does not arise.

#### **Bank Loans Advanced in Khammam District in Andhra Pradesh**

9072. SHRI MANIK REDDY: Will the Minister of FINANCE be pleased to state:

(a) the number of applications received by the nationalised banks from the district industries centre, Khammam district in Andhra Pradesh under the "GRAMODAYA" scheme during 1987-88 and how many of them were sanctioned and rejected;

(b) the highest and lowest amount financed by the banks, the bankwise, details; and

(c) the grounds for rejecting the DIC recommended applications under this scheme, the bank-wise, details?

THE MINISTER OF STATE IN THE DEPARTMENT OF ECONOMIC AFFAIRS IN THE MINISTRY OF FINANCE (SHRI EDUARDO FALEIRO): (a) Reserve Bank of India have reported that presumably the Hon'ble Member desires to know about Self Employment Scheme for Educated Unemployed Youth (SEEUY) and their data reporting system does not generate bank-wise and district-wise information. It is however, reported that in district Khammam, banks by the end of February, 1988 had sanctioned loans to 96 beneficiaries out of 489 applications sponsored to them by the District Industries Centres (DIC). Final position of loans sanctioned upto the end of financial year is not yet available with Reserve Bank

of India.

(b) Reserve Bank of India have reported that they do not collect beneficiary-wise details of loans sanctioned.

(c) While bank-wise details of reasons for rejecting applications are not available, the common reasons for rejection of applications as reported by the Hyderabad Regional Office of Reserve Bank of India include applicants losing interest and securing employment subsequently, proposed scheme not viable and bank branch already achieving the target.

#### **Payment of Licence Fee by LIC Employees**

9073. DR.DATTA SAMANT: Will the Minister of FINANCE be pleased to state:

(a) whether the employees of the Life Insurance Corporation who are staying in the LIC quarters do not get 10 percent HRA and that they are to pay 10 percent licence fee; and

(b) if so, the reasons therefor?

THE MINISTER OF STATE IN THE DEPARTMENT OF ECONOMIC AFFAIRS IN THE MINISTRY OF FINANCE (SHRI EDUARDO FALEIRO): (a) Yes, Sir. However, Class III/ Class IV employees who had been allotted staff quarters before 1.4.1983 — the date of last revision of their terms and conditions of service — continue to receive HRA paid to them before that date.

(b) This formula is in keeping with the general principles applicable to Government Servants and elsewhere.

#### **Outlay for NTC in Seventh Plan**

9074. DR.DATTA SAMANT: Will the Minister of TEXTILES be pleased to state:

(a) what is the total sanctioned outlay for the National Textile Corporation Mills in the Seventh Plan and how much has been spent so far;

(b) the total amount spent for modernisation of the NTC Mills during the last three years; and

(c) the quantity of cloth and yarn produced during 1986-87?

THE MINISTER OF TEXTILES (SHRI RAM NIWAS MIRDHA): (a) The Planning Commission had approved an outlay of Rs. 117 crores during the 7th Plan period for modernisation and labour rationalisation schemes of NTC. The Government have released Rs. 73 crores to NTC during the years 1985-86 to 1987-88.

(b) During the period from April, 1985 to December, 1987, an amount of Rs. 53.07 crores has been spent on modernisation/ renovation of NTC mills.

(c) During the year 1986-87, NTC mills produced about 8645.49 lakh meters of cloth and 854.94 lakh kgs. of yarn.

[Translation]

#### **Opening of Regional Office of Tea Board in U.P.**

9075. SHRI HARISH RAWAT: Will the Minister of COMMERCE be pleased to state:

(a) whether the regional office of the Tea Board has been opened in Uttar Pradesh and if so, when;

(b) the amount proposed to be spent for the development of tea plantation in Uttar Pradesh through this office during 1988-89; and

(c) whether detailed outlines have been prepared for this purpose and if so, the details thereof?

THE MINISTER OF STATE IN THE MINISTRY OF COMMERCE (SHRI P.R.DASMUNSI): (a) Yes, Sir. A Regional Office of Tea Board was inaugurated on the 6th April, 1988 at Lucknow in Uttar Pradesh.

(b) and (c). Government have constituted a Committee to formulate long term strategy and plan for Tea. Under the aegis of this Committee a sub-group has been formed for evolving a comprehensive physical and financial plan for tea development in Uttar Pradesh. The sub-group has already met the U.P. Govt. officials at Lucknow office. For the present the office at Lucknow will be providing extension services to the existing/ potential tea growers with the help of the State Government.

#### **Pithoragarh Regional Rural Bank**

9076. SHRI HARISH RAWAT: Will the Minister of FINANCE be pleased to state:

(a) whether his Ministry has reviewed the working of Pithoragarh Regional Rural Bank of Uttar Pradesh pertaining to the last three years;

(b) if so, whether this bank has provided loans in various fields in required quantity and number;

(c) if so, the targets fixed by the bank in this regard during 1987-88 and the achievements in this regard; and

(d) if achievements have not been as per the fixed targets, the steps proposed to be taken to bring about improvement in the working of the bank?

THE MINISTER OF STATE IN THE DEPARTMENT OF ECONOMIC AFFAIRS

IN THE MINISTRY OF FINANCE (SHRI EDUARDO FALEIRO): (a) The performance of various Regional Rural Banks including Pithoragarh Gramin Bank is continuously monitored by NABARD besides periodical inspection of such banks under R.B.I., Act, 1949.

(b) and (c). Pithoragarh Gramin Bank was established in March, 1985 and it could open only one branch in that year. The bank disbursed loans amounting to Rs.2.58 lakhs in 95 accounts during 1985. As per latest available information the Gramin Bank had outstanding advances of Rs.5.48 lakhs in 366 Accounts at the end of December, 1986 which rose to Rs.9.08 lakhs in 617 accounts at the end of June, 1987. The Gramin Bank is reported to have opened 12 branches by the end of June, 1987.

(d) NABARD has been advising the RRB to improve flow of funds in its area of operation, and has also asked the concerned sponsor bank to take necessary action in this regard.

#### **Opening of Zonal and Regional Offices of Nationalised Banks in Uttar Pradesh**

9077. SHRI HARISH RAWAT: Will the Minister of FINANCE be pleased to state:

(a) whether there is a proposal to open zonal and regional offices of certain nationalised banks in Uttar Pradesh during 1988-89; and

(b) if so, the names of such banks and the places where these offices are proposed to be opened?

THE MINISTER OF STATE IN THE DEPARTMENT OF ECONOMIC AFFAIRS IN THE MINISTRY OF FINANCE (SHRI EDUARDO FALEIRO): (a) and (b). Zonal/ Regional Offices which are the controlling offices of the banks are opened by the banks

at different centres taking into account the spread of branches in the command area, the volume of business, the geographical coverage, administrative convenience and cost benefit analysis and after obtaining licences from Reserve Bank of India.

Reserve Bank of India has reported that it has issued licences to Punjab National Bank to open a zonal Office at Aligarh and a Regional Office each at Kashipur, Aligarh and Faizabad during 1988-89. While the Regional Office at Kashipur has become operational, the bank is taking action to open the other offices.

Reserve Bank of India has also received a proposal from Punjab & Sind Bank for opening of a Zonal Office at Lucknow. No final decision has yet been taken on this.

[English]

#### **Terminal Benefits to the Workers of Closed Textile Mills**

9078. SHRI PRAKASH V.PATIL: Will the Minister of TEXTILES be pleased to state:

(a) whether it is a fact that even when a textile mill is closed down its workers are not paid terminal benefits;

(b) if so, in how many cases this has happened in respect of the textile mills that have been closed down in Maharashtra; and

(c) whether Union Government propose to take remedial steps at the earliest to ensure that the workers are given terminal benefits?

THE MINISTER OF TEXTILES (SHRI RAM NIWAS MIRDHA): (a) to (c). Information is being collected and will be laid on the Table of the House.

#### **Request to Re-Open Closed Textile Mills**

9079. SHRI PRAKASH V.PATIL: Will the Minister of TEXTILES be pleased to state:

(a) whether the Chambers of Commerce and Industry of Maharashtra have submitted a memorandum to Union Government to re-open the closed textile mills and to raise their efficiency;

(b) if so, the details of the requests/ suggestions made therein;

(c) whether Government have considered the suggestions made therein; and

(d) if so, the details of the suggestions accepted for implementation?

THE MINISTER OF TEXTILES (SHRI RAM NIWAS MIRDHA): (a) to (d). Government receive memoranda/ representations from time to time from various organisations regarding the re-opening of closed textile mills etc. The suggestions contained therein are considered in the light of the 1985 Textile Policy Statement.

#### **World Bank Assistance for Irrigation Facilities to Maharashtra**

9080. SHRI PRAKASH V. PATIL: Will the Minister of WATER RESOURCES be pleased to state:

(a) whether the World Bank has given assistance for exploring the water resources and to augment the irrigation facilities in the country;

(b) if so, the receipts from the bank during the last three years;

(c) how much of it could be made available to Maharashtra;

(d) the names of the projects in Maharashtra which are currently being financed partly or wholly by the World Bank; and

(e) the names of new projects which will be taken up during the next two years?

THE MINISTER OF STATE IN THE

MINISTRY OF WATER RESOURCES (SHRIMATI KRISHNA SAHI): (a) Yes, Sir.

(b) and (c). The total disbursement of World Bank assistance for the irrigation and CAD projects in the country and particularly for the projects in Maharashtra during the last three years are as under:—

	(Us \$ Million)		
	1985-86	1986-87	1987-88
Total disbursement for the irrigation and CAD projects in the country.	223.137	227.039	235.680
Disbursement for the projects in Maharashtra	30.387	5.073	10.405

(d) Presently two irrigation projects in Maharashtra are under implementation with the World Bank group assistance. These are: (i) Maharashtra Water Utilisation Project; and (ii) Maharashtra Composite Irrigation Project—III.

(e) So far no decision has been taken for posing new Irrigation projects in Maharashtra for the World Bank group assistance during the next two years.

#### World Bank Loan

9081. SHRI M. V. CHANDRA-SEKHARA MURTHY:  
PROF. RAMAKRISHNA  
MORE:  
SHRI G. S. BASAVARAJU:

Will the Minister of FINANCE be pleased to state:

(a) whether the World Bank has announced on 5 April, 1988 to provide two loans of 610 million dollars to India;

(b) if so, the terms and conditions thereof; and

(c) the projects on which this loan will be utilised?

THE MINISTER OF STATE IN THE DEPARTMENT OF ECONOMIC AFFAIRS IN THE MINISTRY OF FINANCE (SHRI EDUARDO FALEIRO): (a) to (c). The Board of Directors of the International Bank for Reconstructions and Development approved on 31.3.1988 two loans to India, one of \$360 million for the Industrial Finance and Technical Assistance Project and another of \$250 million for the Housing Development Finance Corporation Project. The loans are repayable in 20 years, including a grace period of 5 years, and carry a variable rate of interest revised semiannually. The current rate of interest is 7.72% per annum. In addition, a commitment fee of 0.75% is levied on the undisbursed portion of the loans.

#### Implementation of SEEUY Scheme by New Bank of India

9082. SHRI CHHITUBHAI GAMIT:  
SHRI UTTAMBHAI H. PATEL:  
SHRIMATI PATEL RAMABEN  
RAMJIBHAI MAVANI:

Will the Minister of FINANCE be pleased to



state:

(a) whether it is a fact that the Chairman and Managing Director of the New Bank of India has received any representations regarding poor performance of the New Bank of India in connection with granting of loans and the disbursal of the same under SEEUY Scheme in various districts of Uttar Pradesh, particularly of Lucknow Division;

(b) if so, the details thereof;

(c) the action taken thereon;

(d) the persons found responsible for poor performance and for not implementing the scheme by the bank; and

(e) the action taken against all the officials and branch managers found guilty?

THE MINISTER OF STATE IN THE DEPARTMENT OF ECONOMIC AFFAIRS IN THE MINISTRY OF FINANCE (SHRI EDUARDO FALEIRO): (a) and (b). New Bank of India (NBI) has reported that its Chairman & Managing Director received one communication dated 29th January, 1988 from the Government of Uttar Pradesh pointing out poor performance of the bank in connection with granting and disbursal of loans under the Self Employment Scheme for Educated Unemployed Youth (SEEUY) in six districts of Lucknow Division of Uttar Pradesh namely Rae Bareilly, Hardoi, Unnao, Lucknow, Sitapur and Lakhimpur Kheri.

(c) New Bank of India has reported that prompt action had been taken by them on receipt of the said letter and necessary instructions were given to Regional Office for disposal of applications received under SEEUY Scheme.

(d) The bank has reported that out of six districts mentioned in the letter, it does not have branches in three districts namely Sita-

pur, Lakhimpur Kheri and Rae Bareilly. Further as against the physical target of 31 beneficiaries to be covered under SEEUY during the year 1987-88 the bank received 33 applications, out of which 22 applications were sanctioned and 11 applications were rejected. The bank has also reported that no applications were received till October, 1987 and in November and December 1987, 4 and 7 applications respectively were received by the bank as against the target of 31. Slow progress as such was mainly on account of non-submission of the sufficient number of applications by District Industries Centres (DICs) of the concerned Districts to the bank in time. The bank has further reported that at the end of March, 1988 no application was pending for sanction with any of the branches of the bank in Lucknow Division of Uttar Pradesh.

(e) Does not arise.

#### Trade Plan with USA

9083. SHRI S. M. GURADDI:  
SHRI HARIHAR SOREN:

Will the Minister of COMMERCE be pleased to state:

(a) whether India and U. S. have agreed to prepare an action plan to step up bilateral trade between the two countries;

(b) if so, the details of the action plan; and

(c) to what extent the trade between the two countries will be improved during 1988-89?

THE MINISTER OF STATE IN THE MINISTRY OF COMMERCE (SHRI P. R. DASMUNSI): (a) to (c). No formal agreement exists between India and USA for an action plan to step up bilateral trade between the two countries. However, during the visit

of Prime Minister to the United States in October, 1987, one of the new initiatives announced jointly by the two governments was that to encourage a substantial expansion in two way trade, the private sectors will be asked for recommendations to increase opportunities for trade and investment.

Consultation are accordingly being held with important organisations in the private sector.

The following table gives data of two way trade between the two countries during the last few years:

(Value in Rs. Crores)

YEAR	India's exports *	India's imports	Total
1985-86	1994.48	2085.86	4080.34
1986-87 (P)	2357.26	1963.01	4320.27
1987-88 (P) (April-Dec.)	2023.37	1435.05	3458.42
1986-87 (P) (April-Dec.)	1686.91	1421.20	3108.11

The rising trend in the two-way trade is likely to be maintained.

\* India's export figures do not include oil exports.

P: Provisional

#### **Benefit of Co-operative Schemes to Handloom Weavers**

9084. SHRI BANWARI LAL PUROHIT:  
Will the Minister of TEXTILES be pleased to state:

(a) whether Union Government has urged the State handloom agencies to ensure benefit of the cooperative schemes only to Handloom weavers;

(b) if so, the details of the directions issued in this regard;

(c) whether there is any check that the co-operatives are providing benefit only to the handloom weavers; and

(d) if so, the details in this regard?

THE MINISTER OF TEXTILES (SHRI

RAM NIWAS MIRDHA): (a) Yes, Sir.

(b) to (d). The State Directors in-charge of Handlooms have been informed that the benefit of the cooperative schemes which are being implemented with matching assistance from the Central Govt. should go only to the handloom weavers; and as such the primary cooperative societies assisted under these schemes should have only handlooms functioning under them. They have, therefore been advised to initiate action to reorganise societies so that powerlooms and powerloom owners' membership is eliminated, if such societies wish to continue to receive assistance under the cooperative schemes.

#### **Raids in the Premises of Tyre Manufacturers**

9085. SHRI BANWARI LAL PUROHIT:  
Will the Minister of FINANCE be pleased to

state:

(a) whether the All India Tyre Dealers' Federation has urged Government to launch massive hunt to curb tax evasion in the production of tyre inputs, tyre production and its distribution;

(b) if so, the reaction of Union Government in this regard;

(c) the number of times, the enforcement wing of tax evasion raided the premises of tyre manufacturers in the country during the last one year; and

(d) the details of the incriminating documents etc. seized during the raids and the further steps Government propose to take to curb tax evasion in the tyre industry?

THE MINISTER OF STATE IN THE DEPARTMENT OF ECONOMIC AFFAIRS IN THE MINISTRY OF FINANCE (SHRI A. K. PANJA): (a) to (d). The information to the extent possible is being collected and will be laid on the Table of the House.

#### **Regional Rural Banks in Orissa**

9086. SHRI JAGANNATH PATNAIK: Will the Minister of FINANCE be pleased to state:

(a) the number of regional rural banks at present operating in Orissa;

(b) the amount of loans disbursed by these banks during the last three years;

(c) whether there have been given any concessions to the farmers so far the question of recovery of these loans is concerned, keeping in view the drought conditions in that State particularly in the Kalahandi district; and

(d) the number of small farmers and

marginal farmers who have availed of such loans during the last three years?

THE MINISTER OF STATE IN THE DEPARTMENT OF ECONOMIC AFFAIRS IN THE MINISTRY OF FINANCE (SHRI EDUARDO FALEIRO): (a) There are nine Regional Rural Banks in Orissa.

(b) The amount of outstanding advances of these banks for the last three years are given below: —

As at the end of	Amount of outstanding Advances (Rs. in Lakh)
December, '84	9957
December, '85	11283
December, '86	13001
December, '87	14001

(c) All regional rural banks including those operating in Orissa have been advised by NABARD to convert short term crop loans into Medium term loans where-ever the crop were damaged on account of natural calamities like flood and drought. The banks have also been advised to reschedule the recovery of medium term loan instalment.

(d) As per available information, the number of farmers who availed of loans from RRBs during the year 1986 was 71145; and during the half year ending June, 1987, 39701 farmers are reported to have availed of loans from RRBs.

#### **Opening of Bank Branches in Andhra Pradesh**

9087. SHRI V. TULSIRAM: Will the Minister of FINANCE be pleased to state:

(a) the total number of branches of the

nationalised banks in Andhra Pradesh, district-wise;

(b) whether there is any proposal to open branches of nationalised banks in the State, if so, the details thereof;

(c) the number of branches proposed to be opened in Mehboob Nagar and Ranga Reddy districts and the locations thereof; and

(d) the time by which such branches are expected to be opened?

THE MINISTER OF STATE IN THE DEPARTMENT OF ECONOMIC AFFAIRS IN THE MINISTRY OF FINANCE (SHRI EDUARDO FALEIRO): (a) Reserve Bank of India (RBI) has reported that as at the end of December, 1987, 4263 branches of commercial banks were functioning in Andhra Pradesh as per district-wise details given below:—

Name of District	No. of branches
1	2
1. Hyderabad	383
2. Medak	149
3. Nizamabad	144
4. Adilabad	124
5. Karimnagar	157
6. Warangal	169
7. Khammam	134
8. East Godavari	268
9. Visakhapatnam	200

1	2
10. Srikakulam	122
11. West Godavari	225
12. Guntur	273
13. Krishna	272
14. Nellore	177
15. Prakasam	184
16. Chittoor	216
17. Cuddapah	142
18. Anantapur	183
19. Kurnool	171
20. Nalgonda	146
21. Mahboobnagar	176
22. Vizianagaram	125
23. Ranga Reddy	123
Total:	4263

(b) On the basis of list of identified centres received from the State Government of Andhra Pradesh, RBI has allotted 369 eligible rural and semi-urban centres to banks for opening branches in Andhra Pradesh during the current Branch Licensing Policy period upto March, 1990. In addition, on the basis of applications made by individual banks, RBI has allotted 50 centres to banks for opening branches in urban and metropolitan areas.

(c) and (d). RBI has allotted 40 centres to various banks for opening branches in Mahboobnagar and Ranga Reddy Districts

under the current Branch Licensing Policy as per details given in the statement below. According to information available with RBI branches have been opened at 4 centres in Mahboobnagar District and at 19 centres in Ranga Reddy District. RBI has advised the banks that the branches at the allotted centres should be opened in a phased manner during the remaining current Policy period. As such, it is not possible at this stage to indicate the expected date of opening of the branches at the remaining 17 centres.

### STATEMENT

Names of centres allotted to banks by RBI for opening branches in Mehboob Nagar and Ranga Reddy Districts of Andhra Pradesh

Name of District	Name of Centre
1	2
Mahboob Nagar	1. Sidda pur
	2. Lalkota
	3. Ithola
	4. Gorita
	5. Husnabad*
	6. Yaptla
	7. Paddamanur
	8. Kanukurthy
	9. Hunwada*
	10. Sugoor
	11. Jinnaram*
	12. Bijjawaram

	1	2
Ranga Reddy	13.	Kalwakola*
	14.	Dharmavaram
	15.	Karvangai
	16.	Narva
	17.	Maharajpet*
	18.	Tadlapalli vil- lage*
	19.	Sardarnagar
	20.	Eliminedu*
	21.	Dandu Mail- aram*
	22.	Bodakonda*
	23.	Dubbacherla*
	24.	Nagaram*
	25.	Velchal*
	26.	Barwad Moth- ukpalli*
	27.	Komattypalli*
	28.	Mujahidpur*
	29.	Dadapur*
	30.	Chowdapur*
	31.	Ghatsingpur*
	32.	Aziz Nagar*
	33.	Mailwar*

1	2
	34. Gingurthy*
	35. Reddy Ghanpur*
	36. Mambapur
	37. Indur
	38. Siddalur*
	39. Moinabad
	40. Kessara

\* Denotes centres where branches have been opened.

#### **Incentive to Boost Handloom Industry in Andhra Pradesh**

9088. SHRI V. TULSIRAM: Will the Minister of TEXTILES be pleased to state:

(a) whether Andhra Pradesh Government has sent same proposals for the consideration of Union Government for promotion of handloom industry in the State;

(b) if so, the details thereof and the action taken thereof;

(c) the details of incentives proposed by Union Government for handloom workers;

(d) the extent to which such an incentive will boost the development of handloom industry in the State;

(e) whether Union Government propose to provide financial assistance to Andhra Pradesh; and

(f) if so, when?

THE MINISTER OF TEXTILES (SHRI RAM NIWAS MIRDHA : (a) Yes, Sir.

(b) The details of the releases made by the Central Government to Andhra Pradesh under different schemes for promotion of the handloom industry during 1987-88 are given in the statement below:-

(c) and (d). In order to enable the handloom sector to realise its full potential and in order to improve the socio-economic and living conditions of handloom weavers in all States, including Andhra Pradesh, Central Government is implementing various schemes as detailed in the statement referred to above.

(e) and (f). Financial assistance is provided to all States, including Andhra Pradesh, on the basis of proposals received from concerned State Governments every year.

#### **STATEMENT**

1. Releases made to Andhra Pradesh under various schemes during the year 1987-88;

Plan Schemes		(Rs. in lakhs)
1		2
1.	Shares Capital Assistance to Primary Societies	65.61
2.	Modernisation	22.60

1		2
3.	Workshed-cum-Housing	32.50
4.	Thrift Fund	12.78
5.	Setting up of Enforcement Machinery under States	19.30
Total		152.79
Non-Plan Schemes		
1.	Special Rebate	313.15
2.	Subsidy on Janata Cloth	915.95
Total		1229.10
Grand Total		Rs. 1381.89 lakhs.

2. In order to develop the handloom industry and improve the socio-economic and living conditions of handloom weavers; Central Government is implementing the following schemes in all the States of the country;—

- i) Share capital assistance to handloom weavers to enrol themselves as members of co-operative societies;
- ii) Shares capital assistance to handloom weavers primary/apex cooperative societies and state handloom corporations;
- iii) Assistance for modernisation of looms;
- iv) Managerial subsidy to handloom wavers primary societies;
- v) Financial Assistance to State Handloom Development corpo-

rations and Handloom Cooperative Societies for setting up pre-loom and post-loom processing facilities;

- vi) Special rebate at the rate of 20% on sale of handloom products;
- vii) Janata Cloth Scheme;
- viii) Thrift Fund Scheme;
- xi) Workshed-cum-Housing Scheme;
- x) Reservation of 22 items for exclusive production in the handloom sector through the Handloom (Reservation of articles for production) Act, 1985.

#### Financial Assistance to Textile Mills in Andhra Pradesh

9089. SHRI V. TULSIRAM: Will the

Minister of TEXTILES be pleased to state:

(a) whether some textile mills in Andhra Pradesh have approached Union Government to provide financial assistance for their improvement;

(b) if so, the details of such mills and the assistance sought mill-wise.

(c) the time when necessary funds will be made available through State Government of Andhra Pradesh, and

(d) the terms and conditions to repay the loans.?

THE MINISTER OF TEXTILES (SHRI RAM NIWAS MIRDHA) : (a) The Union Government does not provide financial assistance to textile mills. Such assistance is given by financial institutions/banks.

(b) to (d) . Does not arise.

### **RBI'S New Credit Policy**

9090. SHRI V. TULSIRAM: Will the Minister of FINANCE be pleased to state:

(a) whether the Reserve Bank of India announced a new credit policy as appeared in the Indian Express dated 3rd April, 1988;

(b) if so, the details thereof;

(c) the credit policy adopted to be adopted for agriculture;

(d) the amount of credit to be given to Andhra Pradesh for the development of agriculture; and

(e) the time when the financial assistance will be provided to the State Govern-

ment?

THE MINISTER OF STATE IN THE DEPARTMENT OF ECONOMIC AFFAIRS IN THE MINISTRY OF FINANCE (SHRI EDUARDO FALEIRO): (a) and (b). Reserve Bank of India have set out the credit policy for the first half of 1988-89 and the salient features are as follows:

i) The entire amount of Rs. 744 crores of cash balances impounded under the incremental cash reserve ratio would be released on April 23, 1988.

ii) With a view to partially neutralising the return flow of food credit with effect from the fortnight beginning 30th July, 1988 the cash reserve ratio would be raised from 10% to 10.5% of net demand and time liabilities (this includes FCNR/NRE deposits).

iii) With effect from August 27, 1988 banks will be provided export refinance to the extent of 100% of the increase in export credit over the monthly average level of 1986.

iv) The term deposit rates for 91 days and above but less than 6 months is raised from April 4, 1988 from 6.5% to 8%.

v) Banks have been advised that where there is a short fall over the stipulations on bill finance, a specific time bound programme should be drawn up in consultation with the borrower.

(c) The target for direct finance to Agriculture has been increased from 16% to 17% of total bank credit and it is to be achieved by March 1989. The interest rates on short term agricultural loans of Rs. 15,000/- and less have also been reduced with effect from 1.3.1988. The reduced rates of interest are as follows:



Short-term agricultural loans to farmers	Rate of interest % p.a.	
	Upto and of February, 1988	Effective from 1.3.88
Upto Rs.5000/-	11.5	10.0
Over Rs.5000/-and upto Rs. 7500/-	12.5	10.0
Over Rs.7500/-and upto Rs.10,000/-	12.5	11.5
Over Rs.10,000/-and upto Rs. 15,000/-	12.5 14.0	11.5

(d) and (e). The various bank branches in Andhra Pradesh are required to meet all genuine credit needs of agriculturists. It is a continuous process and no time limit as such has been stipulated. The outstanding credit of all Scheduled Commercial Banks in Andhra Pradesh for Agriculture at the end of December, 1986 was Rs. 1424.85 crores in 27.82 lakh borrowal accounts. Scheduled Commercial Banks provide credit to individuals and institutions and do not directly finance State Governments as such.

#### Products exported by NTC

9091. SHRIMOCHANBHAI PATEL: Will the Minister of TEXTILES be pleased to state:

(a) the value of the total products exported by the National Textile Corporation during the years 1984-85, 1985-86 and 1986-87;

(b) the steps taken by the National Textile Corporation to increase its export during 1987-88 and the achievement made; and

(c) whether any target has been fixed for the year 1988-89; if so, the details

thereof?

THE MINISTER OF TEXTILES (SHRI RAM NIWAS MIRDHA): (a) The total value of exports by NTC during the years 1984-85 to 1986-87 is given below:

<i>(Rs. in crores)</i>	
<i>Year</i>	<i>Value in Exports</i>
1984-85	36.57
1985-86	38.42
1986-87	39.42

(b) The steps taken by NTC to increase its exports during 1987-88 include identification of markets, establishing contacts with the buyers, installation of sophisticated imported looms to improve quality, signing of memorandum of understanding with USSR companies regarding long term export arrangements. During the period April December, 1987, NTC exported goods worth Rs. 27.48 crores.

(c) Yes, Sir. NTC has fixed a target of exports worth Rs. 50 crores during the year 1988-89.

**NRI Deposits in Banks**

9092. SHRI MOHANBHAI PATEL: Will the Minister of FINANCE be pleased to state:

(a) The total amount of money deposited by non-resident Indians in the branches of nationalised banks/non-nationalised banks in the country during the years 1986, 1987 and 1988;

(b) the rate of interest for foreign currency non-resident accounts;

(c) how this amount is being utilised; and

(d) whether the deposits have shown any decline; if so, the reasons therefor?

THE MINISTER OF STATE IN THE DEPARTMENT OF ECONOMIC AFFAIRS IN THE MINISTRY OF FINANCE (SHRI EDUARDO FALEIRO): (a) The total outstanding amounts in the Non-Resident External and Foreign Currency Non-Resident Accounts maintained by Non-Resident Indians in Banks in India during the last three years were as follows:-

<i>As at the end of</i>	<i>Rupees in Crores</i>
December 1985	5027.88
December 1986	7470.62
December 1987	9401.66
February 1988 (Provisional)	9909.68

(b) The rate of interest for Foreign Currency Non-Resident (FCNR) Accounts are as follows:-

<i>Maturity Period</i>	<i>Per cent for annum</i>
1	2
(a) Six months and above but less	7.5

1	2
than one year	
(b) 1 Year and above but less than 2 years	8.5
(c) 2 years and above but less than 3 years	9.25
(d) 3 years only.	9.5

(c) Bank utilise these amounts in their normal banking business.

(d) No, Sir.

**Non-Utilisation of World Bank Loan by States.**

9093. SHRI H.B. PATIL: Will the Minister of FINANCE be pleased to state;

(a) whether some State Governments have failed to utilise the World Bank assistance for the Bank aided projects in the States;

(b) if so, the names of such states, alongwith the extent of assistance utilised by them as against the stipulated World Bank assistance till March, 1988 and the reasons for poor utilisation of the World Bank assistance; and

(c) what will be its likely effect on the prospects of securing further assistance for the projects in the States?

THE MINISTER OF STATE IN THE DEPARTMENT OF ECONOMIC AFFAIRS IN THE MINISTRY OF FINANCE (SHRI EDUARDO FALEIRO): (a) to (c). During the year 1987-88, about \$ 480 million was disbursed by the World Bank for projects under implementation in the State sector.

World Bank Group assisted projects are implemented over periods normally extended between five to seven years. The assistance committed by the World Bank is utilised over the entire span of the project. Drawal of funds is in accordance with specific project disbursement schedules, and balance amounts therefore remain at the end of each year, upto the terminal date of disbursement. It is expected that World bank Group assistance committed for projects for implementation in the State sector will be fully utilised over the respective project periods.

#### **Review of Renewal of Credit Limit by State bank of Indore**

9094. SHRI MANAVENDRA SINGH:  
Will the Minister of FINANCE be pleased to state:

(a) the steps taken to improve the position relating to review and renewal of credit limits by State bank of Indore as has been commented upon the Reserve bank of India in its annual report for 1986-87;

(b) the steps taken by the bank to complete inspection and audit of branches and to bring up-to-date the reconciliation of inter-branch accounts as has been earmarked by the Reserve Bank of India in its above report; and

(c) the steps that have been taken by the bank to recover the increasing overdues in both priority and non-priority sectors?

THE MINISTER OF STATE IN THE DEPARTMENT OF ECONOMIC AFFAIRS IN THE MINISTRY OF FINANCE (SHRI EDUARDO FALEIRO): (a) to (c). the Reserve Bank of India has reported that State Bank of Indore has introduced a mechanism to ensure that the credit limits are renewed/reviewed, timely at the appro-

priate level. the State Bank of Indore has reported that it completed audit of all the branches during 1987. A separate cell for inter-branch reconciliation has been created and the bank is making positive improvement in this regard.

The bank has also geared up the recovery machinery by advising the controlling officers to make field visits and also to organise camps for the recovery of the agricultural loans at the time of harvesting. They have also been advising to keep a close liaison with Government officials for the recovery of advances given under Government sponsored schemes.

#### **Corruption cases reported to CBI by State Bank of Indore**

9095. SHRI MANVENDRA SINGH:  
Will the Minister of FINANCE be pleased to state:

(a) whether the cases reported to the CBI by the State Bank of Indore, about corruption in financial dealings have increased during in 1983 to 1987;

(b) if so, the number of such cases sent for prosecution in 1987;

(c) whether the cases against some officers of Delhi Branch of State of Indore involved in letters of credit have also been forwarded to CBI; and

(d) if so, the details thereof?

THE MINISTER OF STATE IN THE DEPARTMENT OF ECONOMIC AFFAIRS IN THE MINISTRY OF FINANCE (SHRI EDUARDO FALEIRO): (a) State Bank of Indore has intimated that it has reported the following number of cases of corruption to the C.B.I. during the years 1983 to 1987 for investigation:

<i>Year</i>	<i>No. of case</i>
1983	1
1984	3
1985	-
1986	2
1987	1

(b) C.B.I. has reported that no case was sent up for prosecution during the year 1987.

(c) and (d). Certain cases of irregularities/frauds relating to Chandni Chowk (Delhi) and Connaught Circus (New Delhi) Branches of State Bank of Indore have been referred to the C.B.I. for examination as to whether these cases could be taken up for investigation by it.

[ *Translation* ]

#### **Loans Advanced by Syndicate Bank in Uttar Pradesh**

9096. SHRI MANVENDRA SINGH: Will the Minister of FINANCE be pleased to state:

(a) whether the Syndicate Bank which as a lead bank has been allotted several districts including Mathura district in Uttar Pradesh is not giving loans for the purchase of tractors and other agricultural implements;

(b) if so, the reasons therefor;

(c) whether Government have imposed any ban on agricultural loans; and

(d) if not, the reasons as to why the Syndicate bank is not giving agricultural loans?

THE MINISTER OF STATE IN THE DEPARTMENT OF ECONOMIC AFFAIRS IN THE MINISTRY OF FINANCE (SHRI EDUARDO FALEIRO): (a) Syndicate Bank has reported that it has been granting loans for the purchase of tractors in Uttar Pradesh.

(b) to (d). Do not arise.

[ *English* ]

#### **Transfer Policy of State Bank of Indore**

9097. SHRI MANVENDRA SINGH: Will the Minister of FINANCE be pleased to state:

(a) the details regarding the implementation of the guidelines given by the Reserve bank of India to the State Bank of Indore about transfer policy of the officers;

(b) the number of officers transferred as per the policy during the current year;

(c) the number of transfer orders issued and cancelled by the bank during the current year;

(d) whether it is a fact that the policy is not strictly followed by the bank; if so, the number of officers of Delhi/Connaught Place branch in whose case transfer order have not been complied with; and

(e) if so, the reasons therefor?

THE MINISTER OF STATE IN THE DEPARTMENT OF ECONOMIC AFFAIRS IN THE MINISTRY OF FINANCE (SHRI EDUARDO FALEIRO) (a) State Bank of Indore has reported that its transfer policy is based on Government instructions and guidelines issued by State Bank of India.

(b) The number of officers transferred under the bank's transfer policy during the current calendar year is 97.

(c) The number of transfer order issued and cancelled by the bank during the current calendar year is reported to be 'nil'.

(d) and (e). According to State Bank of Indore 2 officials have not moved out of Delhi due to non-reporting of relieving officers and that they will be relieved as soon as reporting officers report at Delhi in their respective places.

#### **Import of Contaminated Edible Oil and Pulses**

9098. SHRI RAM DHAN:  
SHRI BALWANT SINGH RA-  
MOOWALIA:

Will the Minister of COMMERCE be pleased to state:

(a) whether edible oil from Europe and pulses from Turkey were imported after the Chernobyl nuclear incident;

(b) if so, the quantity thereof;

(c) whether these commodities were tested in the research laboratories prescribed for it;

(d) if so, the names of the laboratories where these commodities were tested and the reports thereof; and

(e) if not, the reasons for not conducting the tests?

THE MINISTER OF STATE IN THE MINISTRY OF COMMERCE (SHRI P.R. DASMUNSI): (a) to (e). The information of being collected and will be laid on the Table of the House.

[Translation]

#### **Relief to MRTP and FERA Companies in Punjab**

9099. SHRI RAM DHAN:  
SHRI BALWANT SINGH RA-  
MOOWALIA:

Will the Minister of FINANCE be pleased to state:

(a) whether Government are considering to give relief to MR.R.T.P. and F.E.R.A. companies in Punjab in order to save the industries from going into miserable condition due to deteriorating situation in that state;

(b) if so, the broad details of the scheme; and

(c) if not, the reasons therefor?

THE MINISTER OF STATE IN THE DEPARTMENT OF ECONOMIC AFFAIRS IN THE MINISTRY OF FINANCE (SHRI EDUARDO FALEIRO): (a) to (c). The Government of Punjab have requested that the whole of Punjab state may be declared as a category 'A' backward region. So far Government of India have not found it possible to accept this suggestion. However, special consideration is being shown for location of industrial project in Punjab.

#### **Committee to Examine suicides by Cotton Growers in Andhra Pradesh**

9101. SHRI RAM DHAN:  
SHRI BALWANT SINGH RA-  
MOOWALIA:

Will the Minister of FINANCE be pleased to state:

(a) whether it is a fact that a committee of senior bank officers was appointed to go

into the incidents of suicide committed recently by the cotton growers of Andhra Pradesh;

(b) if so, whether Government have received the report of this committee;

(c) if so, the details thereof and the new steps taken by Government on the basis of this report; and

(d) the outcome of steps so taken?

THE MINISTER OF STATE IN THE DEPARTMENT OF ECONOMIC AFFAIRS IN THE MINISTRY OF FINANCE (SHRI EDUARDO FALEIRO): (a) The Reserve Bank of India (RBI) has reported that a High-Powered Committee has been constituted to look into the problems relating to financing of cotton growers in Andhra Pradesh under the Chairmanship of Dr. P.D. Ojha, Deputy Governor, Reserve Bank of India. Other members of the committee are Chairman, Syndicate Bank, Chairman, Andhra Bank, and one of the Deputy Managing Directors of State Bank of India.

(b) The report of the Committee has not been received by the Government so far.

(c) and (d). Do not arise.

[English]

#### **Foreign Tea Promotion Offices of Tea Board**

9102. SHRIMATI JAYANTI PATNAIK: Will the Minister of COMMERCE be pleased to state:

(a) whether the Tea Board has some foreign tea promotion office/sales counters;

(b) if so, the numbers thereof in different countries;

(c) whether some of those offices are not effective in increasing sale in their respective areas; and

(d) if so, the steps taken to revitalise those offices so that they show good performances in increasing sales?

THE MINISTER OF STATE IN THE MINISTRY OF COMMERCE (SHRI P.R. DASMUNSI): (a) and (b). Yes, Sir. There are six tea promotion offices of Tea Board abroad.

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(c) No, Sir.

(d) Does not arise.

#### **Spinning Mill in Kalahandi, Orissa**

9103. SHRIMATI JAYANTI PATNAIK: Will the Minister of TEXTILES be pleased to state:

(a) whether Union Government have again received a proposal to set up a Spinning Mill in Kalahandi district of Orissa;

(b) if so, whether any action has been taken thereon?

(c) if so, the site for the location of the Spinning Mill has been selected;

(d) the amount sanctioned by Union Government for the setting up the mill; and

(e) what further steps are being taken in this regard?

THE MINISTER OF TEXTILES (SHRI RAM NIWAS MIRDHA) (a) to (c). No such new proposal has been received. However, a representation against the rejection of an earlier proposal to set up such a mill in Kasinga, District Kalahandi has been received. It is not possible to indicate at this state by when the representation is likely to

be disposed of.

(d) and (e). The Union Government do not finance the setting up of spinning mills in the country.

[*Translation*]

**Bank Loans Sanctioned in Ballia and Azamgarh Districts of Uttar Pradesh**

9104. SHRI RAJ KUMAR RAI: Will the Minister of FINANCE be pleased to state:

(a) the number of the persons who have been sanctioned loans by various banks in Ballia and Azamgarh districts of Uttar Pradesh, separately, during 1987-88;

(b) the number of cases still pending for

sanctioning of loans; and

(c) the amount of bank loans proposed to be advanced in these districts during 1988-89?

THE MINISTER OF STATE IN THE DEPARTMENT OF ECONOMIC AFFAIRS IN THE MINISTRY OF FINANCE (SHRI EDUARDO FALEIRO): (a) to (c). The present data reporting system does not generate information in the manner asked for. However, as per the information available from Reserve Bank of India Gross Bank Credit given by all Scheduled Commercial Banks in the Districts of Ballia and Azamgarh of Uttar Pradesh as at the end of December 1985, December 1986 and September 1987 was as under:-

(Amount Rs. in Crores)

<i>District</i>	<i>December</i>	<i>December</i>	<i>September</i>
	1985	1986	1987
Ballia	36.14	40.75	42.62
Azamgarh	58.00	72.24	75.30

[*English*]

**Fraud in Mahatma Gandhi Road, Indore Branch of State Bank of Indore**

9105. SHRI RAJ KUMAR RAI: Will the Minister of FINANCE be pleased to state:

(a) whether it is a fact that there has been a fraud through an alleged wrong payment from an account by the State Bank of Indore, Mahatma Gandhi Road Branch of Indore, Madhya Pradesh in March, 1988;

(b) if so, the details of the amount and

bank officials involved therein; and

(c) the action taken in this regard?

THE MINISTER OF STATE IN THE DEPARTMENT OF ECONOMIC AFFAIRS IN THE MINISTRY OF FINANCE (SHRI EDUARDO FALEIRO): (a) to (c). Reserve Bank of India has intimated that it has been advised by State Bank of Indore that during March 1988 no fraud has been perpetrated, through an alleged wrong payment, at its Mahatma Gandhi Road Branch, Indore. However, on 9th December, 1987, an attempt to defraud the bank was made, but no

loss was suffered by the Bank. No staff involvement has been noticed in this regard and therefore there is no question of taking action against any bank official.

**Promotions of Officers in State Bank of Indore**

9106. SHRI RAJ KUMAR RAI: Will the Minister of FINANCE be pleased to state:

(a) the number of promotions made in the State Bank of Indore from officer Grade-II to MM-III and MM-III to MM-IV in the month of January/February, 1988;

(b) if so, the details thereof;

(c) whether it is also a fact that guilty officers involved in frauds/misappropriations have been promoted to the officer rank-MM-III to IV recently; and

(d) if so, the reasons therefor?

THE MINISTER OF STATE IN THE DEPARTMENT OF ECONOMIC AFFAIRS IN THE MINISTRY OF FINANCE (SHRI EDUARDO FALEIRO): (a) and (b). State Bank of Indore has reported that no promotions either to MMG-III or SMG IV were held in January, 1988. However, promotions to SMG-IV were held in February/March, 1988 in which 17 officers were promoted. Out of 70 eligible officers, 67 candidates appeared for interview and 17 were finally found suitable.

(c) No, Sir.

(d) Does not arise.

[Translation]

**Import-Export Target for 1988-89**

9107. SHRI RAJ KUMAR RAI: Will the Minister of COMMERCE be pleased to state

the targets fixed for import and export for the year 1988-89?

THE MINISTER OF STATE IN THE MINISTRY OF COMMERCE (SHRI P.R. DASMUNSI): No specific target is fixed for overall imports. Export target for the year 1988-89 has not yet been finalised.

(English)

**Transfer of Officers in State Bank of India**

9108. SHRI BANWARI LAL BAIRWA: Will the Minister of FINANCE be pleased to refer to the reply given on 4th December, 1987 to Unstarred Question No. 4201 regarding repatriation list of officers of the State bank of India and state:

(a) whether the officers on repatriation list to be transferred to Delhi have since been relieved of their duties especially from Jaipur Module;

(b) if not, the reasons for not relieving the already transferred officers to enable them to report for duty in Delhi; and

(c) the action taken/proposed to be taken by Government in this regard?

THE MINISTER OF STATE IN THE DEPARTMENT OF ECONOMIC AFFAIRS IN THE MINISTRY OF FINANCE (SHRI EDUARDO FALEIRO): (a) to (c). State Bank of India has advised that some of the Officers due for repatriation to Delhi have not been relieved of their duties from Jaipur module. As was submitted in the answer to Unstarred Question No. 4201 on 4.12.1987, all Officers could not be repatriated because of administrative exigencies, resistance by Officers mid-academic session of schools etc. The State Bank of India has reiterated the same difficulties in immediate relieving of these Officers. The action on these transfers



mainly rests with the Bank.

**Additional Credit to State Handloom Societies**

9109. SHRI BHADRESWAR TANTI:  
SHRI BIMALKANTI GHOSH:

Will the Minister of TEXTILES be pleased to state:

(a) whether the Reserve Bank of India is considering to provide additional credit to State Handloom Development Co-operatives and Weavers Co-operative Societies;

(b) if so, the broad features thereof; and

(c) whether any directives have been to Public Sector banks to sanction more funds?

THE MINISTER OF TEXTILES (SHRI RAM NIWAS MIRDHA): (a) to (c). In the context of drought, NABARD has issued a circular prescribing that as against the normal credit limits sanctioned on the basis of 40% to 50% of anticipated sales of primary/apex cooperative societies during the year, credit limits upto 75% of the anticipated sales may be provided.

In respect of Handloom Development Corporations, the RBI has issued instructions to Public Sector Banks to consider sanctioning additional working capital limit upto 20% of the existing limits to National/State Handloom Development Corporations, for holding higher than normal levels of inventories for a temporary period, till end of June, 1988.

**Opening of Branches of Nationalised Banks in Assam**

9110. SHRI BHADRESWAR TANTI:  
Will the Minister of FINANCE be pleased to state:

(a) the number of branches so far opened by the nationalised banks in Assam;

(b) whether there is any proposal to open more branches of nationalised banks in Assam during the Eighth Five year Plan; and

(c) if so, the number thereof?

THE MINISTER OF STATE IN THE DEPARTMENT OF ECONOMIC AFFAIRS IN THE MINISTRY OF FINANCE (SHRI EDUARDO FALEIRO): (a) Reserve Bank of India (RBI) has reported that as at the end of December, 1987, 633 branches of Public Sector Banks were functioning in Assam.

(b) Branch Licensing Policy for the eighth plan has not been formulated as yet.

(c) Does not arise.

**Check Towards Utilisation of Textile Modernisation Fund**

9111. SHRI VJAY N. PATIL: Will the Minister of TEXTILES be pleased to state:

(a) whether Union Government have collected Rs. 750 crores as fund for modernisation of mills;

(b) the number of mills that are to be modernised by Central assistance; and

(c) whether any machinery has been evolved by Government to check that the funds are not misused by mills in the name of modernisation?

THE MINISTER OF TEXTILES (SHRI RAM NIWAS MIRDHA): (a) The financial institutions have allocated Rs. 750 crores for setting up a Textile Modernisation Fund.

(b) The Fund Scheme does not seek to assist the modernisation of a specific num-

ber of mills but of those mills which themselves are seeking such assistance and are eligible for it.

(c) Before sanctioning assistance the institutions appraise modernisation proposals and satisfy themselves about their viability and the need for assistance. Assistance is disbursed according to progress in implementation of the project and subject to the borrower fulfilling certain conditions. Progress is periodically monitored, etc.

### **Export Target by STC**

9112. SHRI DAULATSINHJI JADEJA:  
Will the Minister of COMMERCE be pleased to state:

(a) the export target of the State Trading Corporation (STC) for the financial years 1987-88 and 1988-89;

(b) the export target of STC for non-canalised items in 1987-88 and 1988-89 and whether it has been achieved; and

(c) whether STC has huge overheads in-commensurate with its performance?

THE MINISTER OF STATE IN THE MINISTRY OF COMMERCE (SHRI P.R. DASMUNSI): (a) STC's exports in 1987-88 amounted to Rs. 585 crores. The target for 1988-89 is Rs. 700 crores.

(b) The export target of STC for non-canalised items during 1987-88 was Rs. 402 crores against which exports are of the order of Rs. 381 crores (Provisional).

Export target for non-canalised items for 1988-89 is Rs. 500 crores.

(c) STC's overheads are commensurate with its volume of trading operations.

### **MOU Signed by STC, MMTC for Export**

9113. PROF. RAMAKRISHNA  
MORE:  
SHRI YASHWANTRAO  
GADAKH PATIL:

Will the Minister of COMMERCE be pleased to state:

(a) whether the Minerals and Metals Corporation and the State Trading Corporation have signed a Memorandum of Understanding (MOU) with Government in increase substantially their export turnover in 1988-89;

(b) if so, the salient features of the MOU signed;

(c) the details of the items identified for exports in major markets; and

(d) by when the export will start?

THE MINISTER OF STATE IN THE MINISTRY OF COMMERCE (SHRI P.R. DASMUNSI): (a) to (d). A statement is given below.

### **STATEMENT**

Ministry of Commerce signed Memoranda of Understanding with STC and MMTC on 5th April, 1988. The memoranda set out the responsibilities and performance targets of these Corporations as well as the Government responsibilities.

The responsibilities of the Corporations relate to their performance targets for 1988-89, export strategy for the next year, development of counter trade, off-shore trading, inventory management, corporate plan and review of organisational set up. The responsibilities of the Government cover the release of timely foreign exchange for imports, formulation of policy on off-shore trading,

according trading house status to STC/MMTC and conducting of quarterly reviews on the performance of the Corporations.

The items identified for exports by STC to major markets include Agricultural commodities, fresh and processed foods, drugs and chemicals, meat and marine products, consumer products, engineering/construction material, textiles and garments, etc. Items identified for exports by MMTC are minerals and mineral products, precious stones, engineering items, agro-marine products, handicrafts etc.

Exports envisaged under the MOU have commenced in April, 1988.

#### **IDBI Assistance to Textile Mills**

9114. PROF. RAMAKRISHNA  
MORE:  
SHRI V. SREENIVASA  
PRASAD:

Will the Minister of FINANCE be pleased to state:-

(a) whether the Industrial Development Bank of India has decided to liberalise the eligibility criteria for textile mills to avail themselves of the special loan facilities under the Textiles Modernisation Fund Scheme;

(b) if so, full details in this regard; and

(c) to what extent the modernisation of the textile mills throughout the country will be benefited by the liberalised policy of the IDBI?

THE MINISTER OF STATE IN THE DEPARTMENT OF ECONOMIC AFFAIRS IN THE MINISTRY OF FINANCE (SHRI EDUARDO FALEIRO): (a) to (c). The Industrial Development Bank of India (IDBI) has reported that it has been decided to enlarge the scope of Special Loan under the Textile

Modernisation Fund Scheme by liberalising the definition of "weak units". This would enable the units which are making marginal cash profits to be eligible for special loan facility for taking up modernisation programmes. The IDBI has also reported that it is too early to make an assessment of the extent of increase in coverage of the units for the purpose of this facility.

#### **ADB Suggestion on Capital Market**

9116. SHRIMATI BASAVARAJESWARI: Will the Minister of FINANCE be pleased to state:

(a) whether the Asian Development Bank has urged India to liberalise its capital market operations so that foreign buyers could directly invest in the stocks of Indian Companies;

(b) if so, whether Government are considering suggestions made by ADB; and

(c) the main points forwarded by the ADB?

THE MINISTER OF STATE IN THE DEPARTMENT OF ECONOMIC AFFAIRS IN THE MINISTRY OF FINANCE (SHRI EDUARDO FALEIRO): (a) No Sir.

(b) The question does not arise.

(c) The question does not arise.

#### **Seminar on Non-Resident Indians in the Gulf**

9117. SHRIMATI BASAVARAJESWARI: Will the Minister of FINANCE be pleased to state:

(a) whether the first ever seminar of Non-resident Indians in the Gulf has demanded appointment of an independent Minister at the Centre to look after and to

promote investment in the country;

(b) whether the Non-resident Indians seminar has demanded certain other facilities; if so, the details thereof;

(c) whether the report of the Seminar has been examined by Government; and

(d) if so, to what extent Government have agreed to implement their suggestions?

THE MINISTER OF STATE IN THE DEPARTMENT OF ECONOMIC AFFAIRS IN THE MINISTRY OF FINANCE (SHRI EDUARDO FALEIRO): (a) to (d). The Non-Resident Indians have made several suggestions including the establishment of a Cell or Department, to deal with NRI affairs under at least a separate Minister of State. These are being examined in consultation with the concerned Departments and Organisations.

#### **Financial Problems Faced by India United Mills Dye Works Mill No. 6**

9118. PROF. MADHU DANDAVATE: Will the Minister of TEXTILES be pleased to state:

(a) whether it is a fact that India United Mills Dye Works Mill No. 6 in Bombay, a unit of National Textile Corporation, is facing serious financial constraints and is likely to be closed down because of the failure of five NTC Mills to give adequate quota of grey cloth to Mill No. 6 for processing and also because of failure to pay the arrears for the processing work completed in Mill No. 6; and

(b) if so, the steps taken by Union Government to ensure that financial constraints on India United Mills Dye Works Mill No. 6 are removed and economic viability of the mill protected?

THE MINISTER OF TEXTILES (SHRI RAM NIWAS MIRDHA): (a) No, Sir.

(b) Does not arise.

#### **Garment Export to U.S.A.**

9119. SHRI YASHWANTRAO GADAKH PATIL: Will the Minister of TEXTILES be pleased to state:

(a) whether the garment exporters are facing serious problems because of exhaust of the quota of export under group II to U.S.A.; and

(b) if so, the details thereof and the measures taken to help the exporters?

THE MINISTER OF TEXTILES (SHRI RAM NIWAS MIRDHA): (a) and (b). The available quotas for garments under Group-II to U.S.A. for the first period have already been allocated to eligible exporters. Since the demand exceeds the restraints levels, it has not been possible to accommodate all applicants for garment exports.

#### **New Schemes of Life Insurance Corporation**

9120. SHRI H.N. NANJE GOWDA: Will the Minister of FINANCE be pleased to state:

(a) whether the Group Insurance Scheme of the Life Insurance Corporation has fetched business of Rs. 12,645 crores by March, 1987;

(b) if so, whether LIC has introduced any new schemes for the benefit of the people of the low income group;

(c) the number of new schemes LIC has introduced after March, 1987;

(d) whether LIC is getting good business in new policies; and

(e) the number of schemes in which LIC has invested money for the betterment of poor people?

THE MINISTER OF STATE IN THE DEPARTMENT OF ECONOMIC AFFAIRS IN THE MINISTRY OF FINANCE (SHRI EDUARDO FALEIRO): (a) The in-force sum assured under Group Insurance Schemes was Rs. 12,644.53 crores as at 31st March, 1987.

(b) A Group Insurance Scheme to cover 3 crores landless agricultural labourers in the country has been introduced since 15th August, 1987 for which premium is paid by the Central Government. Another Scheme covering loans under Integrated Rural Development Programme has been introduced from 1st April, 1988 which is expected to benefit 3.5 to 4 million people covered under the said programme during the year 1988-89.

(c) and (d). The number of new Group Insurance Scheme introduced by the Life Insurance Corporation of India during the year 1987-88 is more than 5,600 which represents an increase of about 43% over the number of new Schemes introduced in the previous year.

(e) The investment pattern of the fund of the Corporation is governed by Section 27A of the Insurance Act, 1938 and the subsequent guidelines issued by the Government in respect of Group Schemes Funds. As per the statutory provisions, LIC is required to invest 75% of accretions to the controlled fund in socially oriented section, including public sector, co-operative sector, house building by policyholders, Own-your-Home schemes, and in Central Government Securities, State Government Securities including guaranteed marketable securities. Thus LIC has been promoting social welfare through socially oriented investments which are designed to benefit people at large by

improving basic amenities like potable water, drainage, housing, rural electrification and transport.

### **Indo-Nepalese Trade Agreement**

9121. SHRI H.N. NANJE GOWDA: Will the Minister of COMMERCE be pleased to state:

(a) whether any trade agreement has been signed between India and Nepal;

(b) if so, the salient features thereof; and

(c) whether trade between the two countries will improve considerably as a result thereof?

THE MINISTER OF STATE IN THE MINISTRY OF COMMERCE (SHRI P.R. DAS MUNSI): (a) The Treaty of Trade between the Government of India and His Majesty's Government of Nepal was signed on 25th March, 1978 and is at present valid upto 24th July, 1988.

(b) The Treaty inter-alia provides for (a) grant of treatment to each other not less favourable than that accorded to any third country relating to customs duty etc.; (b) exemption from basic customs duty and quantitative restrictions for import of mutually agreed primary products from each other; (c) free and unhampered flow of goods with certain exceptions. Allotment of annual quotas of essential commodities normally not permitted for export; (d) preferential treatment by India for import of certain categories of Nepalese industrial products etc.

(c) The Treaty has provided a positive environment for the growth of Bilateral Trade which has increased from Rs. 75.31 crores in 1977-78 to Rs. 207.22 crores in 1986-87.

**Ambassador EEC's Statement of Indian Exports**

9122. SHRI UTTAM RATHOD: Will the Minister of COMMERCE be pleased to state:

(a) whether the attention of Government has been drawn to the reported statement of the Ambassador of the European Economic Community (EEC) for South Asia in New Delhi that low quality of Indian products, lack of competitive products, failures, in meeting delivery schedules and infrastructural bottlenecks like transport and power cuts have resulted in sluggish exports from India to Europe over the last few years;

(b) if so, the reaction of Government thereon; and

(c) the corrective steps taken or proposed to be taken, if any, in this regard?

THE MINISTER OF STATE IN THE MINISTRY OF COMMERCE (SHRI P.R. DAS MUNSI): (a) and (b). Government has noticed, in a section of the press, this report ascribed to the Acting Chief of the EEC Delegation for South Asia. Some of these aspects may sometimes be experienced in some cases. Acceptability of Indian export products in general in the European Community markets is duly reflected in the increase of over 46 percent in Indian exports to West Europe during 1986-87 and again, over 41 percent increase maintained in the period April-December 1987 over the ex-

ports during the corresponding period in previous years.

(c) Government's policy framework and procedures are devised to help eliminate constraints and short-comings, if and when they arise, in regard to India's trade interests.

[*Translation*]

**Loans Advanced by State Bank of Indore Under Self-Employment Scheme**

9123. SHRI C. JANGA REDDY: Will the Minister of FINANCE be pleased to state:

(a) the total number of loans of rupees 25 thousand each provided by the State Bank of Indore under Self-Employment Scheme during the year 1986-87 and the details thereof, branch-wise, in each State;

(b) whether it is a fact that the managers of the concerned branches extract huge amounts as commission from the beneficiaries; and

(c) if so, the steps taken by Government in this regard?

THE MINISTER OF STATE IN THE DEPARTMENT OF ECONOMIC AFFAIRS IN THE MINISTRY OF FINANCE : (SHRI EDUARDO FALEIRO): (a) The State-wise position relating to the number of loans provided by State Bank of Indore under the Self Employment Scheme for Educated Unemployed Youth (SEEUY) during the year 1986-87 is set out in the table below:

<i>Name of State</i>	<i>No. of accounts</i>	<i>Amount (Rs. in lakhs)</i>
Madhya Pradesh	850	181.06
Uttar Pradesh	10	2.50
Rajasthan	8	1.19
Gujarat	12	1.70
Maharashtra	20	5.00

The Bank has also reported that the present data reporting system does not yield branch-wise information at the Head Office.

(b) State Bank of Indore has reported that the loans were sanctioned to applicants on merits of each case and out of the list sponsored by the Task Force of District Industries Centres.

(c) Does not arise.

[*English*]

### **Crimes and Security in Banks**

9124. SHRI K. RAMAMURTHY: Will the Minister of FINANCE be pleased to state:

(a) the recommendations contained in the book entitled "Crimes and Security in Banks" published by the Institute of Criminological Research Education and Service, Madras; and

(b) the action proposed to be taken by Government in the context increasing number of bank robberies and frauds employing sophisticated techniques?

THE MINISTER OF STATE IN THE DEPARTMENT OF ECONOMIC AFFAIRS IN THE MINISTRY OF FINANCE (SHRI EDUARDO FALEIRO): (a) A summary of the recommendations contained in the Book entitled "Crimes and Security in Banks", published by the Institute of Criminological Research, Education and Services, Madras is given in the statement below.

(b) Reserve Bank of India has reported that instructions and guidelines already exist, which cover several of the recommendations contained in the book "Crimes and Security in Banks". Implementation of these instructions/guidelines are being monitored by RBI.

RBI has further stated that in so far as the recommendation regarding development of Bank Security Force on the lines of the RPF and CISF is concerned, the matter had been considered earlier by Varadan Committee set up by the Ministry of Home Affairs and also by the Indian Banks' Association, but the proposal had not been found feasible.

Regarding the incidence of frauds in banks, RBI has intimated that, by and large, frauds have occurred in banks not on account of lacunae in the systems and procedures, but owing to non-observance of prescribed procedures and safeguards. Banks have also issued books of instructions, indicating precautions checks which their staff should observe to prevent occurrence of frauds. Banks are also taking steps to strengthen their control mechanism, including the internal audit/inspection/vigilance machinery and to make them effective, so as to sufficiently minimise the scope for frauds and malpractices. Summary of the recommendations contained in the book entitled "Crimes and Security in Banks", published by the Institute of Criminological Research, Education and Services, Madras:

1. The Ministry of Home Affairs has established a National Crime Records Bureau of classified and computerised recording of crime and dissemination when called for. It is suggested that the Reserve Bank of India might establish a Bank Crime Records Bureau for classified and computerised documentation of bank crime in consultation with each State's CID and the CBI and the Indian Banks Association. This Bank Crime Record Bureau may work in close liaison with the National Crime Records Bureau.

2. The establishment of branch banks in remote areas, towns or villages should be done only after an analysis of then and, viability and security. The decisions will have to be supported by proven need and establishment of parallel institutions like the post office and the police station.
3. New buildings for banks should be built according to a security-oriented design prepared in consultation with an acknowledged architect and a qualified security adviser. Hired buildings should be utilised only after providing the minimum security needs like strong room, cash chest and security oriented layout.
4. Selection of bank employees should be not only on the basis of cognitive knowledge, but also on a study of attitudes of intending candidates through specially devised psychological tests. Character verification may also be systematically done.
5. Those who are selected should be put through an initial training for an adequate period before they are placed in charge of specific duties. And later there should be in-service training in functional and advanced areas and also pre-promotion training. Security consciousness and preventive vigilance should receive, emphasis in all such courses.
6. Staff placement, responsibility, accountability and supervision should be done on a rational and systematic basis, in order to

ensure that all regulations and procedures are meticulously observed. In particular at the physical level, unauthorised night work should not be permitted. No recreation room or canteen should be allowed in the security areas.

7. Specimen signatures of all account holders in banks may be replaced once in five years and placed preferably in books. Signatures of managers may also be kept in appropriate safe custody.
8. Computerisation of data relating to bank transactions may be speeded up and streamlined so that reconciliation of all bank accounts may be completed and brought up to date soon.
9. It will be advantageous to develop a bank security force on the lines of the RPF and CISF. Besides watch and ward, this organisation should exercise intelligence functions as well as preventive and punitive vigilance.
10. A separate wing of the State CID with the necessary expertise, including a senior bank officer with an intimate knowledge of the working of the bank, may be set up on the lines of the CBI wing to deal with Bank offences.
11. Separation of the currency chest and the strong room is strongly advocated as a preventive measure, side by side with adequate security guards.
12. A suitable alarm system, which



will enable the quiet alerting of the concerned police, the control room, the bank headquarters and relevant agencies, may be expeditiously installed in all the major branches.

13. Short term training courses like the one organised by the ICRES for senior bank officers may be organised periodically in order to motivate a healthy security consciousness and in order to have a multiplier effect.
14. When an incident occurs, the FIR should be thoughtfully prepared, including description of any or all offenders as available. In the process, legal advice readily accessible, may also be sought. This report may be made to the nearest police station.

#### **Package on Commodity Aid**

9125. SHRI K. RAMAMURTHY: Will the Minister of FINANCE be pleased to state:

(a) the details of package of commodity aid which is reported to have been worked out by Government, as stated in Lok Sabha by the Minister of State, on November 30, 1987, for fighting drought and containing price rise; and

(b) the impact on price rise as a result of implementation of this package deal?

THE MINISTER OF STATE IN THE DEPARTMENT OF ECONOMIC AFFAIRS IN THE MINISTRY OF FINANCE (SHRI EDUARDO FALEIRO): (a) The details of the package of commodity assistance programme with various countries in the context of the drought are as under:

- (i) 5200 MT of butter oil worth \$8-10

million to Indian Dairy Corporation as grant (agreement with USA was signed on 29th September, 1987);

- (ii) 3 lakh tonnes of edible oils from USA under the Export Enhancement Programme;
- (iii) 4 lakhs tonnes of Corn to be imported by NAFED and NDDB under Section 416 of the US Agricultural Adjustment Act as grant;
- (iv) The U.S. have also sanctioned \$50 million by way of advance for the projects being funded under the US Aid bilateral assistance programme;
- (v) ECU 5 million in cash for emergency relief. Out of this amount ECU 1.25 million is being channelled through Non-Government Organisations and ECU 3.75 million has been allocated to Government of India;
- (vi) 900 MT of edible oils, 3000 MT of butter oil and 2000 MT of skimmed milk powder.
- (vii) Import of edible oils and other commodities under Japanese 25.9 billion yen loan effective from 23.12.1987;
- (viii) Import of rapeseed oil worth DM 10 million from West Germany, worth 40 million FF from France and worth US \$/5 million from Italy;
- (ix) Edible oils worth Kroner 50 million under assistance from Sweden.

In addition, the IBRD/IDA will provide loan/assistance to the tune of US \$ 150 million and 200 million respectively for drought relief.

(b) As a result of higher releases of essential commodities the Wholesale Price Index (WPI) has remained relatively stable during the last few months and the prices of many seasonal items including edible oils and milk and milk products have registered a marginal fall.

#### **Funds Mobilisation for NRI**

9126. SHRI T. BASHEER: Will the Minister of FINANCE be pleased to state:

(a) whether Union Government have received proposal from State of Kerala to set up a public limited company for mobilising funds from Non-resident Indians which would be invested in the primary and secondary capital market in the State; and

(b) if so, reaction of Government thereon?

THE MINISTER OF STATE IN THE DEPARTMENT OF ECONOMIC AFFAIRS IN THE MINISTRY OF FINANCE (SHRI EDUARDO FALEIRO): (a) Yes, Sir.

(b) The proposal was examined in consultation with the Reserve Bank of India and was not found acceptable.

#### **Export of Spices**

9127. SHRI T. BASHEER: Will the Minister of COMMERCE be pleased to state:

(a) the production of spices in Kerala, their export and the foreign exchange earned during the last three years; year-wise; and

(b) the steps envisaged to promote export of spices?

THE MINISTER OF STATE IN THE MINISTRY OF COMMERCE (SHRI P.R. DAS MUNSI): (a) Figures of production of some major spices in Kerala during 1984-85, 1985-86 and 1986-87 are indicated in the Statement-I below. Figures for exports state-wise are not available. However, figures of total exports of spices from India during 1984-85 onwards are given in Statement-II below.

(b) The Spices Board which is responsible for promotion of export of spices, has Market Promotion Programmes for West Asia, North African Region, USA, Canada and West Europe. The programmes include inter-alia publicity, Sales-cum-Study delegation, participation in major international trade fairs, organising Buyer-Seller Meets. The Board also plans to set-up quality control laboratories, and provide trade information services to exporters.

These are, of course, in addition to the Government's CCS and other incentive schemes for export promotion.

#### **STATEMENT-I**

##### *Production of major spices*

Item	1984-85		1985-86		1986-87	
	Kerala	All India	Kerala	All India	Kerala	All India
1	2	3	4	5	6	7
Cardamom	2.85	9.30	3.34	10.02	3.09	9.73

1	2	3	4	5	6	7
<b>Pepper**</b>	17.35	18.22	33.12	34.00	31.94	32.85
<b>Chillies</b>	0.90	630.50	1.00	877.40	0.90	780.00
<b>Ginger</b>	41.25	133.86	44.47	138.62	443.60	127.00
<b>Turmeric</b>	5.20	259.20	6.20	367.10	6.20	280.60

**Source** : Directorate of Economic & Statistics Deptt. of Agriculture & Cooperation

£ : Figures for 1987-88 are not available

\* : Includes both Cardamom small & Cardamom large.

\*\* : The statistics in respect of pepper are very tricky. It is understood that there are some forest areas etc. under unauthorised cultivation of pepper, and the same are not taken into account for computing production figures. Trade estimates of production of black pepper are, therefore, much higher than official estimates.

# STATEMENT - II

Export of Spices

Sl. No.	Item	1984-85		1985-86		1986-87		1987-88	
		Qty.		Qty.		Qty.		Qty.	
		Val.		Val.		Val.		Val.	
1	2	3	4	5	6	7	8	9	10
1.	Pepper	25420	6054	37620	17248	37083	20033	38890	22513
2.	Cardamom (Small)	2383	6480	3272	5346	1447	1850	349	442
3.	Cardamom (Large)	265	117	383	181	195	97	147	65
4.	Chillies	8226	967	1241	202	4327	496	6930	921
5.	Ginger	7328	1873	6816	1889	843	571	3100	524
6.	Turmeric	12801	1716	8562	1209	19529	1918	8900	986

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1	2	3	4	5	6	7	8	9	10
7.	Curry Powder	3109	389	2527	366	2712	414	2527	400
8.	Misc. Spices	32003	2344	13678	1124	12247	1338	6290	791
9.	Oil and Oleoresins of spices	330	969	402	1487	443	1433	411	1429
TOTAL		89155	20902	74501	28252	82826	28200	67544	28071

Figures for 1986-87 and 1987-88 are provisional

Source: Spices Board, Cochin

**Drilling of Tubewells in Kerala**

9128. SHRI VAKKOM PURUSHOTHAMAN: Will the Minister of WATER RESOURCES be pleased to state:

(a) the total number of tubewells drilled in Kerala State during 1987-88 with the Central assistance for drought relief;

(b) the number of water reservoirs constructed in the State during this period;

(c) whether these are sufficient to meet the requirements of the State;

(d) if not, whether the districts are not adequately equipped with tubewells and water reservoirs; and

(e) the steps taken by Union Government to meet the requirements in these districts?

THE MINISTER OF STATE IN THE MINISTRY OF WATER RESOURCES (SHRIMATI KRISHNA SAHI): (a) to (e). Minor Irrigation Schemes including tubewells are ordinarily planned, funded and implemented by State Governments and for them no clearance is necessary from the Centre. As minor irrigation works are large in number, monitoring of individual works is not done at the Centre.

**Export of Coir Products**

9129. SHRI VAKKOM PURUSHOTHAMAN: Will the Minister of TEXTILES be pleased to state:

(a) the quantity of coir and coir products exported during the last three years;

(b) whether it is a fact that export of these products could not achieve its targets during 1987-88;

(c) if so, the details thereof; and

(d) the steps being taken by Government to boost the export of coir and coir products?

THE MINISTER OF TEXTILES (SHRI RAM NIWAS MIRDHA): (a) According to Coir Board, the exports of coir and coir products during the last three years have been as follows:-

Year	Quantity (in tonnes)
1985-86	24672
1986-87	23214
1987-88	22551 (Provisional)

(April-Feb., 87-88)

(b) and (c). The provisional exports of coir and coir products during April-February, 1987-88 amounted to Rs. 28.60 crores against a target of Rs. 32 crores fixed for 1987-88.

(d) The various steps taken to boost coir exports from India include sending trade delegations, conducting market studies and market research, releasing advertisements in foreign trade magazines and distribution of publicity material, participation in fairs in major markets, quality improvement of coir products and grant of Cash Compensatory Support.

**Electronic Components in OGL**

9130. SHRI VAKKOM PURUSHOTHAMAN: Will the Minister of COMMERCE be pleased to state:

(a) the electronic components that have been included in the Open General Licence (OGL) in the new import-export policy;

(b) whether it is a fact that sufficient capacity for indigenous production of most of these items is available within the country; and

(c) if so, the reasons for placing these components under OGL which would adversely affect their indigenous production?

THE MINISTER OF STATE IN THE MINISTRY OF COMMERCE (SHRI P.R. DASMUNSI): (a) to (c). List of electronic components in Open General Licence (OGL) is given in Appendix 6, List 8, Part-I of the Import and Export Policy April 1988 — March 1991, (Volume I). There has not been any significant addition to the list of items under OGL as compared to the Import Policy for the period 1985-88. Only specific types of resistors, plastic film capacitors, ceramic capacitor, connectors etc. have been placed under OGL because these types are not available indigenously.

#### **Resources of Leasing Institutions**

9131. SHRI VIJAY N.PATIL: Will the Minister of FINANCE be pleased to state:

(a) the sources through which leasing institutions in the country obtain resources;

(b) whether Government have issued guidelines to leasing institutions for safeguarding acquisition of leased assets;

(c) if so, the details of guidelines;

(d) whether Government have any proposal for nationalised banks to enter into leasing business; and

(e) if so, the manner in which Government propose to make leasing activities more attractive for banks?

THE MINISTER OF STATE IN THE DEPARTMENT OF ECONOMIC AFFAIRS

IN THE MINISTRY OF FINANCE (SHRI EDUARDO FALEIRO): (a) The sources from which leasing institutions in this country obtain resources are share capital and reserves, debentures, institutional borrowings and public deposits.

(b) No, Sir.

(c) No, Sir.

(d) Reserve Bank has granted permission to six Banks including one private sector Bank for setting up of subsidiaries for undertaking inter-alia Equipment Leasing Business. Seven Banks have been granted permission to make portfolio investment in leasing companies.

(e) There is no proposal before Government to make leasing activities more attractive for Banks.

#### **State Bank of Mysore**

9134. SHRI SRIKANTHA DATTA NARASMIHARAJA WADIYAR: Will the Minister of FINANCE be pleased to state:

(a) whether the deposits in the State Bank of Mysore have registered a steady growth;

(b) if so, the performance of the State Bank of Mysore in last three years;

(c) the amount advanced by the State Bank of Mysore to the priority sector in these years; and

(d) the details thereof?

THE MINISTER OF STATE IN THE DEPARTMENT OF ECONOMIC AFFAIRS IN THE MINISTRY OF FINANCE (SHRI EDUARDO FALEIRO): (a) Yes, Sir.

(b) to (d). As per the information avail-

able from State Bank of Mysore the aggregate deposits and outstanding advances to priority sector of the bank for the last three years are as under:

(Amount in Rs. crores)

Year	Deposits	Priority Sector Advances
1985	664.83	219.70
1986	747.01	253.14
1987	911.03	297.36

#### Indo German Trade

9135. SHRI SRIKANTHA DATTA NARASIMHARAJA WADIYAR: Will the Minister of COMMERCE be pleased to state:

(a) whether Government have taken steps to improve Indo-German trade;

(b) if so, the areas in which Indo-German trade has been expanded;

(c) whether some export-oriented-units are proposed to be set up in the country in collaboration with Germany; and

(d) if so, the details thereof?

THE MINISTER OF STATE IN THE MINISTRY OF COMMERCE (SHRI P.R. DASMUNSI): (a) and (b). It is a continuing endeavour to increase bilateral trade, particularly the country's exports. The items which have shown a significant increase in export from India to Federal Republic of Germany during 1987 include textile fabrics, garments, leather goods, silk, rayon and synthetic fibre fabrics, and engineering goods.

(c) and (d). Selection of technology for export-oriented joint ventures is left to the Indian entrepreneurs who, after exploring the alternative sources of technology and techno-economic analysis, select the one that suits them best, while Government encourages the establishment of export-oriented joint ventures in India.

#### Aluminium Export

9136. DR.KRUPASINDHU BHOI: Will the Minister of COMMERCE be pleased to state:

(a) whether the export of aluminium declined during 1987-88;

(b) if so the projection made and actual export of aluminium during the above year;

(c) the reasons for decline in the export; and

(d) the projection made for aluminium export in 1988-89?

THE MINISTER OF STATE IN THE MINISTRY OF COMMERCE (SHRI P.R. DASMUNSI): Indigenous production of primary aluminium is not sufficient to meet the domestic demand, and the gap between the indigenous production and domestic demand is met through imports. A small quantity of aluminium metal and its products was, however, allowed to be exported to Nepal in terms of Indo-Nepal Treaty of Trade and the quantity earmarked for 1987 was 700 tonnes.

#### Sales Centres of Tea Board

9137. DR.KRUPASINDHU BHOI: Will the Ministry of COMMERCE be pleased to state:

(a) the number and places of offices/sales centres of the Tea Board functioning in



the country at present;

(b) whether Government have a proposal to Open some new offices/ sales centres of the Tea Board in 1988-89; and

(c) if so, the details thereof?

THE MINISTER OF STATE IN THE MINISTRY OF COMMERCE (SHRI P.R. DASMUNSI): (a). There are seven tea bars/ buffets of Tea Board — four in New Delhi and one each at Madras, Bombay and Tirumalai (Andhra Pradesh). Regional/ Sub-regional offices of Tea Board are at New Delhi, Bombay, Madras, Conoor, Cochin, Jorhat, Silchar, Siliguri, Guwahati, Palampur, Kottayam, Amritsar, Teipur, Agartala and Lucknow. The Board has a research centre at Kurseong.

(b) There is no immediate proposal to open new office/ sale centre etc.

(c) Does not arise.

#### **Iron Ore Export to Rumania**

9138. DR.KRUPASINDHU BHOI: Will the Minister of COMMERCE be pleased to state:

(a) whether Government have been steps to increase export of iron ore to Rumania;

(b) if so, the quantity of iron ore proposed to be imported by Rumania from India during 1988-89;

(c) whether Rumania was earlier not willing to import iron ore because of some problems in the export of ore;

(d) if so, the reasons therefor; and

(e) the steps taken to remove those problems?

THE MINISTER OF STATE IN THE MINISTRY OF COMMERCE (SHRI P.R.DASMUNSI): (a) to (e). MMTC propose to export about 5 million tonnes of iron ore to Romania during 1988-89. Export to Romania during 1987-88 were 14-16 lakh tonnes, as against a contract for export of 40 lakh tonnes, due to non-availability of Rupee funds with Romania. These issues were discussed at Ministerial level recently. Following steps have been taken to set up iron ore exports to Romania:

- (i) imports from Romania have been stepped up in order to generate Rupee Funds.
- (ii) a transhipper facility at Redi Port has been provided so that larger size vessels can be loaded at Redi Port.

#### **Overdrafts to States**

9139. SHRI SHANTARAM NAIK:  
SHRI R.JEEVARATHINAM:

Will the Minister of FINANCE be pleased to state:

(a) the latest guidelines, if any, of the Reserve Bank of India in the matter of overdraft by States;

(b) the present position as regards overdraft by various States, State-wise; and

(c) the details of the observations and advice given by the Reserve Bank of India and his Ministry with respect to each State?

THE MINISTER OF STATE IN THE DEPARTMENT OF EXPENDITURE IN THE

MINISTRY OF FINANCE (SHRI B.K.GADHVI): (a) A statement is given below.

(b) As on 23.4.1988, two States viz Arunachal Pradesh and Assam were in overdraft with the Reserve Bank of India of the order of Rs.7.26 crores and Rs.4.43 crores respectively.

(c) Reserve Bank of India has been cautioning State Governments whenever they avail themselves of 75% of the authorised ways and means limits. Finance Ministry has also advised the concerned State Governments to clear their overdrafts with the R.B.I. within the stipulated time period.

#### STATEMENT

States which bank with the Reserve Bank of India have ways and means limits which have been revised w.e.f.1st March, 1988. If a State Govt. exhausts its ways and means limit and continues in overdraft for more than 7 consecutive working days, the R.B.I. suspends payments of the State Government. If a State Government is indebted to the Reserve Bank of India for over 45 days, even within the limits of the ways and means advance, the position will be discussed with the State Government initially at the official level to rectify the imbalance; and, if necessary, at the level of the Chief Minister to devise such corrective measures as may be called for. As soon as any State Government has availed itself of 75 percent of the authorised ways and means limit, the R.B.I. will caution the State govt. and if, despite such action, the State Government's account is overdrawn for more than 7 continuous working days, the R.B.I. will automatically suspend payments of the State Government which will not be resumed until after the overdraft has been cleared.

[Translation]

#### Training Centres for Export of Gold Ornaments

9140. SHRI KALI PRASAD PANDEY: Will the Minister of COMMERCE be pleased to state: (a) whether India has good market for gold ornaments abroad and if so, whether Government are stressing upon increasing the export of gold ornaments;

(b) if so, whether training centres are being opened to increase export of gold ornaments and if so, the locations of such training centres opened so far in the country and also those proposed to be opened; and

(c) whether Government are considering to open such training centre in any big city of Bihar and if so, the time by which it is likely to be opened and if not, the reasons therefor?

THE MINISTER OF STATE IN THE MINISTRY OF COMMERCE (SHRI P.R.DASMUNSI): (a) Yes, Sir. Government has formulated several schemes for export promotion of gold jewellery.

(b) Jewellery Product Development Centres have been set-up at Delhi and Bombay, to conduct courses for imparting training in modern methods for jewellery making.

(c) There is no proposal under consideration at the moment for opening such a centre in Bihar.

[English]

#### Export of Garments to EEC Countries Under Open Tender System

9141. DR.A.K.PATEL: Will the Minister of TEXTILES be pleased to state:

(a) the Government's assessment of the working of the new Open Tender System (OTS) under government export quota policy and whether the system has worked to the advantage of all interests concerned; and

(b) the details in respect of first period of 1988 for each superfast quota category in each EEC country (woven and knitted separately) and the number of pieces which were sold under OTS at premium (i) below Rs.5/-; (ii) between Rs.5/- and Rs.10/-; (iii) Rs.10/-

- and Rs.15/-; (iv) Rs.15/- and Rs.20/-; (v) Rs.20/- and Rs.30/-; (vi) Rs.30/- and Rs.40/-; (vii) Rs.40/- and Rs.50/-; (viii) Rs.50/- and Rs.75/- and (ix) above Rs.76/- along with the number of exporters buyers in each such price category?

THE MINISTER OF TEXTILES (SHRI RAM NIWAS MIRDHA): (a) As per the present indications, the Open Tender System (OTS) under the Garment Entitlement Distribution Policy appears to be working well.

(b) A statement is given below:

### STATEMENT

*Premium Rangewise Quantity Sold Under Country/ Category to Registered Expenses in Open Tender System during 1st Period 1988*

<i>Premium Range</i>	<i>No. of Exporter Buyers</i>		<i>Quantity (In PCS) Sold under O.T.S.</i>	
	<i>Woven</i>	<i>Knitted</i>	<i>Woven</i>	<i>Knitted</i>
(1)	(2)	(3)	(4)	(5)
<b>WEST GERMANY, CATG.4</b>				
0—4.50	—	—	—	—
5.00—9.50	—	—	—	—
10.00—14.50	—	30	—	253832
15.00—19.50	—	4	—	32268
<b>TOTAL</b>	—	<b>34</b>	—	<b>286100</b>

### FRANCE, CATG.4

0—4.50	—	1	—	1600
<b>5.00—9.50</b>	—	12	—	<b>79031</b>
<b>10.00—14.50</b>	—	15	—	<b>79899</b>
15.00—19.50	—	—	—	—

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(1)	(2)	(3)	(4)	(5)	
20.00—24.50	—	2	—	24000	
25.00—29.50	—	1	—	12000	
TOTAL	—	31	—	196530	
<i>BENELUX, CATG. 4</i>					
0—4.50	—	—	—	—	
5.00—9.50	—	12	—	67665	
10.00—14.50	—	9	—	47872	
15.00—19.50	—	1	—	3000	
TOTAL	—	22	—	118537	
<i>BENELUX, CATG. 6</i>					
0—4.50	—	—	—	—	
5.00—9.50	7	—	22000	—	
10.00—14.50	10	—	18202	—	
15.00—19.50	3	—	2860	—	
20.00—24.50	1	—	216	—	
TOTAL	21	—	43278	—	
<i>BENELUX, CATG. 8</i>					
0—4.50	4	—	11440	—	
5.00—9.50	23	—	139404	—	
10.00—14.50	22	—	171956	—	
15.00—19.50	1	—	10000	—	
TOTAL	50	—	332800	—	

(1)	(2)	(3)	(4)	(5)
<i>DENMARK, CATG.29</i>				
0—4.50	1	—	3000	—
5.00—9.50	2	—	3200	—
10.00—14.50	3	—	6600	—
15.00—19.50	—	—	—	—
20.00—24.50	1	—	2000	—
TOTAL	7	—	14800	—

*UNITED KINGDOM, CATG.4*

0—4.50	—	—	—	—
5.00—9.50	—	31	—	268000
10.00—14.50	—	8	—	47829
15.00—19.50	—	—	—	—
20.00—24.50	—	—	—	—
25.00—29.50	—	1	—	5700
TOTAL	—	40	—	321529

*UNITED KINGDOM, CATG.6*

0—4.50	1	—	3600	—
5.00—9.50	—	—	—	—
10.00—14.50	3	—	7560	—
15.00—19.50	11	—	25600	—
20.00—24.50	6	—	24000	—
25.00—29.50	1	—	400	—

30.00—34.50

(1)	(2)	(3)	(4)	(5)
35.00—39.50	1	—	4000	—
TOTAL	23	—	65160	—

*UNITED KINGDOM, CATG.8*

0—4.50	13	—	57744	—
5.00—9.50	79	—	611323	—
10.00—14.50	33	—	288424	—
15.00—19.50	4	—	41904	—
20.00—24.50	—	—	—	—
25.00—29.50	—	—	—	—
30.00—34.50	—	—	—	—
35.00—39.50	—	—	—	—
40.00—44.50	—	—	—	—
45.00—49.50	—	—	—	—
50.00—54.50	—	—	—	—
55.00—59.50	—	—	—	—
60.00—64.50	—	—	—	—
65.00—69.50	—	—	—	—
70.00—74.50	1	—	5250	—
TOTAL	130	—	1004645	—

*IRELAND, CATG.8*

0—4.50	2	—	2400	—
5.00—9.50	2	—	5508	—

(1)	(2)	(3)	(4)	(5)
10.00—14.50	4	—	16000	—
<b>TOTAL</b>	<b>8</b>	<b>—</b>	<b>23908</b>	<b>—</b>

**GREECE, CATG. 27**

0—4.50	—	—	—	—
5.00—9.50	1	—	480	—
<b>TOTAL</b>	<b>1</b>	<b>—</b>	<b>480</b>	<b>—</b>

Source : Apparel Export Promotion Council.

### Decline in Exports to European Countries

9142. SHRI RADHAKANTA DIGAL: Will the Minister of COMMERCE be pleased to state:

(a) whether exports to European Economic countries (EEC) have declined in last three years;

(b) if so, the reasons therefor;

(c) whether it is due to the low quality of Indian products exported to those countries; and

(d) The other reasons responsible for decline in export to EEC countries?

THE MINISTER OF STATE IN THE MINISTRY OF COMMERCE (SHRI P.R. DASMUNSI): (a) to (d). During the last three years, it is only 1985-86 that India's exports to EEC showed some decline of about 3.7% as compared to those in 1984-85. In 1986-87, Indian exports to EEC increased by over 45% compared to those in the preceding year. This trend of significant increase in

Indian exports to EEC was maintained in 1987-88. According to provisional data, Indian exports to EEC are estimated to have risen by more than 40% during the period April-December 1987 in comparison with exports in the corresponding period of 1986.

### Gems and Jewellery Production in Seepz

9143. SHRI RADHAKANTA DIGAL: Will the Minister of COMMERCE be pleased to state:

(a) whether the 100 per cent export oriented gems and jewellery complex set up in the Santacruz Electronic Export Processing Zone (SEEPZ) has gone on stream;

(b) if so, since when and the details of the production started in that unit;

(c) whether steps have also been taken to export the gems and jewellery produced in that unit; and

(d) if so, the details of the gems and jewellery export made from that unit?

THE MINISTER OF STATE IN THE MINISTRY OF COMMERCE (SHRI P.R. DAS MUNSI): (a) to (d). Out of 9 units approved for being set up in the Gem and Jewellery Complex in Santacruz Electronics Export Processing Zone (SEEPZ), one unit has gone into production in March, 1988. The unit has made exports of Diamond studied jewellery valued at Rs.3.28 lakhs in the same month.

#### **Export of Mulberry Silk to EEC**

9144. SHRI RADHAKANTA DIGAL: Will the Minister of TEXTILES be pleased to state:

(a) whether Government are exporting mulberry silk, to EEC countries through the Indian Silk Export Promotion Council;

(b) if so, the total amount worth mulberry will exported to those countries during the last three years;

(c) the projection made for the export of mulberry silk to EEC countries in 1988-89; and

(d) the details thereof?

THE MINISTER OF TEXTILES (SHRI RAM NIWAS MIRDHA): (a) and (b). India does not encourage export of mulberry raw silk as a general policy and there have been no exports of this item during the last 3 years. However, exports of mulberry silk goods is done by registered exporters and not by Indian Silk Export Promotion Council. Exports of mulberry silk goods to EEC countries during the last 3 years were as follows:

<i>Year</i>	<i>Rs (In Crores)</i>
1985-86	48.95
1986-87	74.35
1987-88	106.70

(c) and (d). The projection made by Indian Silk Export Promotion Council for the export of mulberry silk goods to EEC countries during 1988-89 is Rs.139 crores.

#### **Closure of Handloom Units**

9145. SHRI SYED SHAHABUDDIN: Will the Minister of TEXTILES be pleased to state:

(a) whether Government are aware of the crisis faced by the handloom sector resulting in closure of handloom units all over the country, particularly in Uttar Pradesh and Bihar;

(b) the amount of financial assistance extended to the handloom sector in the form of additional share capital or interest free loan during 1987-88; and

(c) the revised price for Janata cloth supplied by the handloom sector?

THE MINISTER OF TEXTILES (SHRI RAM NIWAS MIRDHA): (a) On account of rise in prices of cotton yarn due to high cotton prices and poor off-take of cloth due to erosion of purchasing power in rural and urban areas, mostly on account of drought conditions and floods, there has been reduction in levels of handloom weaving activity in some areas.

(b) An amount of Rs.466.75 lakhs was released during the year 1987-1988 to different States to strengthen the share capital base of Handloom Primary/ Apex Societies and Corporations.

(c) The consumer price of Janata cloth is fixed by the Central Government on the basis of costing particulars-relating to price of inputs, conversion cost and overheads-furnished by the State Governments at a given point of time. The consumer prices of Janata cloth produced in all States were



revised upwards by 20% in 1977 and 15% in 1981. Apart from these two general revisions, consumer prices of certain sorts of Janata cloth produced in Rajasthan, Karnataka, Orissa, Maharashtra, Uttar Pradesh and Bihar, have also been revised during February-April 1988, on requests received from the concerned State Governments.

#### **Bank Branches in Purnea Districts**

9146. SHRI SYED SHAHABUDDIN:  
Will the Minister of FINANCE be pleased to state:

(a) the total number of bank branches in Purnea district as on 31st March, 1987, bank-wise;

(b) the total number of additional branches required for meeting the national norm in terms of area and population;

(c) the number of additional branches established upto 31st December, 1987, bank-wise;

(e) the credit-deposit ratio of each Bank having branches in Purnea district as on 31st December, 1987 and the credit deposit ratio for the Purnea district as a whole?

THE MINISTER OF STATE IN THE DEPARTMENT OF ECONOMIC AFFAIRS IN THE MINISTRY OF FINANCE (SHRI EDUARDO FALEIRO): (a) Reserve Bank of India (RBI) has reported that as at the end of March 1987, 173 branches of commercial banks were functioning in Purnea District of Bihar.

(b) According to an estimate made by RBI, 43 additional bank offices are required to be opened in Purnea District for meeting the national norm.

(c) and (d). RBI has reported that allotment of centres to banks have been made for the period of current Branch Licensing Policy and not year-wise. RBI has advised the banks that branches at the allotted centres should be opened in a phased manner during the remaining period of the Policy. Annual targets for opening branches have not been prescribed. However, on the basis of list of identified centres for Purnea District received from State Government of Bihar, RBI has allotted 21 eligible centres to banks. The bank-wise position of number of centres allotted and offices opened by banks upto 31.12.87, as per information available with RBI, are indicated below:—

<i>Name of Bank</i>	<i>No of centres allotted</i>	<i>No. of offices opened (upto 31.12.1987)</i>
1	2	4
Kosi Kshetriya Gramin Bank	5	—
State Bank of India	3	—
Bank of Baroda	4	—
Central Bank of India	5	1
Canara Bank	1	—

1	2	4
Allahabad Bank	1	1
United Bank of India	1	—
Punjab National Bank	1	—
<b>TOTAL</b>	<b>21</b>	<b>2</b>

(e) RBI has reported that their data reporting system does not generate bank-wise credit deposit ratio for each district. However, according to the information available with RBI, Credit — Deposit Ratio of all scheduled commercial banks in respect of Purnea District as a whole as on the last Friday of March 1987 was 75.26%.

#### Price Index

9147. SHRI SYED SHAHABUDDIN:  
Will the Minister of FINANCE be pleased to state:

(a) the All India Price Index in the first week of January, 1987 and the first week of February, 1988;

(b) the annual rate of inflation;

(c) the All India Consumer Price Index as on 1st February 1988;

(d) the rate of change during the last year; and

(e) the steps taken by Government to contain price rise of essential items of mass consumption?

THE MINISTER OF STATE IN THE DEPARTMENT OF ECONOMIC AFFAIRS IN THE MINISTRY OF FINANCE (SHRI EDUARDO FALEIRO): (a) and (b). The requisite information is given below:

<i>Month/Year ( first week of)</i>	<i>Wholesale Price Index (Base 1970-71=100)</i>	<i>Annual rate of Inflation</i>
January, 1987	376.1	5.6
February, 1988	416.3	10.3

(c) and (d). The requisite information is given below:

<i>Month/Year (Base 1960 =100)</i>	<i>Consumer Price Index over the year</i>	<i>Percentage increase</i>
February, 1988	753	9.4

(e) The specific measures taken by the Government to keep the price rise under check include enhanced distribution of

foodgrains through Public Distribution of foodgrains through Public Distribution System (PDS); strengthening of PDS with the

tem (PDS); strengthening of PDS with the opening of additional outlets; import of essential commodities like pulses, edible oils and sugar; strict economy in Government expenditure; mopping up of excess liquidity in the economy by raising Cash Reserve Ratio and Statutory Liquidity Ratio; imposition of selective credit controls and intensive action against hoarders and profiteers. Prices are closely monitored at various levels to facilitate prompt action.

#### **Indo-British Talks**

9148. DR.B.L.SHAILESH: Will the Minister of FINANCE be pleased to state:

(a) whether Indo-British talks were held in New Delhi during the last month;

(b) the matters discussed particularly the fall in real terms of the British aid to India; and

(c) the outcome thereof?

THE MINISTER OF STATE IN THE DEPARTMENT OF ECONOMIC AFFAIRS IN THE MINISTRY OF FINANCE (SHRI EDUARDO FALEIRO): (a) to (c). Yes, Sir. The Indo/ British Bilateral Aid Talks were held from 15th March to 18th March, 1988 in New Delhi. Besides the review of on-going major projects under UK assistance, estimates for 1987-88 and future prospects of utilisation of UK aid were discussed. While reviewing the utilisation during 1987-88 both sides noted the relatively lower utilisation of UK aid during 1987-88 as compared to the previous year. The Reasons for this were discussed and prospects for 1988-89 were reviewed with a view to achieving better utilization.

#### **Disposal of Confiscated Goods**

9149. SHRI VIJAY N.PATIL: Will the Minister of FINANCE be pleased to state the

details regarding the value of confiscated goods disposed of during 1986-87 and 1987-88?

THE MINISTER OF STATE IN THE DEPARTMENT OF REVENUE IN THE MINISTRY OF FINANCE (SHRI A.K.PANJA): The details regarding the value of confiscated goods disposed of during the years 1986-87, 1987-88 (upto February, 1988) are given below:—

(Value: Rs.in crores)

Year	Value
1986-87	120.45
1987-88	132.99

(Upto February, 1988)

#### **Development of Tea Gardens in West Bengal**

9150. SHRI SANAT KUMAR MANDAL: Will the Minister of COMMERCE be pleased to state:

(a) whether the development of tea gardens in West Bengal through replanting and rejuvenation has been adversely hit following the steep reduction in the Seventh Five Year Plan outlay for the tea industry;

(b) whether this outlay is hardly sufficient to meet the expenditure on replanting and rejuvenation; and

(c) if so, whether Government propose to give adequate plan funds for the tea industry?

THE MINISTER OF STATE IN THE MINISTRY OF COMMERCE (SHRI P.R. DAS MUNSI): (a) to (c). An outlay of Rs.40.40 crores has been provided for development of tea industry during the Sev-

ment has been earmarked for purpose of plantation and replantation. In addition, funds for this purpose are provided from NABARD as well as from internal generation of the tea industry. The tea industry in West Bengal is expected to do reasonably well in the sphere of production and productivity during the Seventh Plan period.

### **Study of Ground Water Problems in Calcutta**

9151. SHRI SANAT KUMAR MANDAL: Will the Minister of WATER RESOURCES be pleased to state:

(a) whether his Ministry and the Central Ground Water Board are studying the ground water problems of Calcutta;

(b) if so, whether there is an alarming depletion of the groundwater resources in Calcutta which may lead to its sinking at some stage; and

(c) if so, the steps being taken to sort out the groundwater problem in Calcutta?

THE MINISTER OF STATE IN THE MINISTRY OF WATER RESOURCES (SHRIMATI KRISHNA SAHI): (a) Yes, Sir.

(b) and (c). In Calcutta the decline of ground water level ranging between 4.5 to 7.2 m. has been noticed in the Baghbazar — Shyambazar sector and in the Park Street — Kalighat — Bhawanipur Sector, whereas rise in ground water level ranging from 2.2 to 3.3 metres has been noticed in the Jadavpur — Garia — Tollyganj sector.

Surface manifestations of land subsidence have not yet been observed.

### **Import of Hides and Skins**

9152. SHRI P.M.SAYEED: Will the Minister of COMMERCE be pleased to state:

(a) whether Government have received some suggestions to step up the import of hides and skins to increase domestic availability for export of leather finished goods; and

(b) if so, the reaction of Government thereto?

THE MINISTER OF STATE IN THE MINISTRY OF COMMERCE (SHRI P.R. DAS MUNSI): (a) and (b). Duty free import of raw and wet blue hides and skins, crust leather and finished leather of bovine animals has already been permitted under Open General Licence, with a view to augmenting the availability of leather in the country.

### **India's Trade with EEC**

9153. SHRI P.M.SAYEED: Will the Minister of COMMERCE be pleased to state:

(a) whether India's trade with the European Economic Community (EEC) at present is very little as compared to its total trade in the world;

(b) if so, the reasons therefor;

(c) whether Government are aware of the latest report on the future prospects of the European Economic Community prepared by the renowned consultants; and

(d) the steps proposed to be taken to exploit the vast potential of the EEC in the early next decade starting in 1990?

THE MINISTER OF STATE IN THE MINISTRY OF COMMERCE (SHRI P.R. DAS MUNSI): (a) and (b). India's trade with European Economic Community (EEC) is not insignificant. During 1986-87, India's trade with EEC, both imports and exports, was of the order of Rs.9345 crores, or nearly 29 percent of India's global trade.

(c) It is learnt that the EEC has recently released the summary of a study prepared by Mr. Cecchini commissioned to evaluate the benefits of single market, an objective EEC has set for itself to achieve by the end of 1992.

(d) EEC being an important market for Indian exports, several export promotion measures have been initiated especially towards integrated product and market development in specified sectors which have high potential for growth.

#### **Export of Ornamental Fish to the Netherlands**

9154. SHRI HARIHAR SOREN: Will the Minister of COMMERCE be pleased to state:

(a) whether Government have a proposal to export ornamental fish to the Netherlands;

(b) if so, whether any formal proposal has come from that country; and

(c) which agency of Government is dealing with the export of fish to the Netherlands?

THE MINISTER OF STATE IN THE MINISTRY OF COMMERCE (SHRI P.R. DAS MUNSI): (a) to (c). Ornamental fish are exported from India to some countries including Netherlands. Such exports are carried out directly by individual exporters. However, the MPEDA under the Ministry of Commerce is the nodal agency for development of export trade of marine products is implementing a project with the assistance of the Netherlands Government for development of Ornamental/ Aquarium fishes for increasing export.

#### **Loan from World Bank**

9155. SHRI SOMNATH RATH: Will the Minister of FINANCE be pleased to state:

(a) the amount taken as loan from the World Bank for the drought relief measures for the year 1987-88;

(b) the rate of interest charged by the World Bank; and

(c) the rate of interest charged by the Union Government from the States where the World Bank drought assistance is being disbursed?

THE MINISTER OF STATE IN THE DEPARTMENT OF ECONOMIC AFFAIRS IN THE MINISTRY OF FINANCE (SHRI EDUARDO FALEIRO): (a) Assistance amounting to \$350 Million has been agreed to by the World Bank Group for drought assistance to India. Of this, \$150 Million will be a loan from International Bank for Reconstruction and Development (IBRD) and \$200 Million credit from International Development Association (IDA).

(b) and (c) IBRD Loans carry interest fixed at six monthly intervals. The current rate of interest is 7.72%. IDA Credits carry no interest charges but only a service charge of 0.75% on the disbursed portion of the credit. There is a commitment fee of 0.50% on the undisbursed portion of IDA Credits and 0.75% on the undisbursed portion of the loan amount. The assistance is not being disbursed to the State Governments and therefore the question of charging interest from the State Governments does not arise.

#### **Import of Chinese Raw Silk**

9156. DR. V. VENKATESH: Will the Minister of TEXTILES be pleased to state:

(a) whether Government have sought the assistance of Chinese Government (Beijing) for supply of raw silk.

(b) if so, what was the urgency for the import of Chinese raw silk;

(c) whether the Central Silk Board has taken stock of indigenous production before taking decision for the import of raw silk; and

(d) the steps being taken by Government to increase indigenous production of silk?

THE MINISTER OF TEXTILES (SHRI RAM NIWAS MIRDHA): (a) Yes, Sir.

(b) to (d). Certain leading silk-producing states had reported a marginal decrease in silk production due to drought conditions. Further, there have reportedly been some policy changes in China due to which their exportable quantity of raw silk has come down. On the other hand, the demand for silk both for indigenous consumption and for exports is on the increase in the country. All these factors had led to a rise in prices of silk. In order to provide relief to the silk weaving industry, Government has allowed the Central Silk Board to import 100 tonnes of raw silk from China, during the current year. As a long term measure, a National Sericulture Project has been formulated by the Central Silk Board in collaboration with State Governments for increasing silk production in the country. The project is proposed to be implemented with the World Bank assistance. The Union Government has also advised major silk-producing States to formulate long-term strategies to step-up their silk production. Further, in order to supplement the efforts of State Governments to increase production of silk, R & D Extension and Training support is being extended by the Central Silk Board through its country-wise network of units.

### **Committee on Export Finance**

9157. SHRI K. RAMAMURTHY: Will the Minister of COMMERCE be pleased to state:

(a) the recommendations made by the Committee set up by the Standing Committee on Export Finance to study the structure of interest rates on export credit; and

(b) the action taken thereon?

THE MINISTER OF STATE IN THE MINISTRY OF COMMERCE (SHRI P.R.DAS MUNSI): (a) and (b). The recommendations of the Committee appointed by the RBI to study the structure of interest rates for export credit in India with Dr.S.K.Vergheese as the Chair Person, are under examination by Government.

### **District Credit Plans**

9158. SHRI K. RAMAMURTHY: Will the Minister of FINANCE be pleased to state:

(a) the details of Annual Action Plan for 1987 implemented in all the districts of the country by the public sector banks alongwith the names of public sector banks allotted to each district;

(b) the guidelines issued by the Reserve Bank of India for the preparation of fourth round of District Credit Plans for the period from January, 1988 to December, 1990; and

(c) whether such District Credit Plans have been formulated for all the districts in the country and if so, the details of the same?

THE MINISTER OF STATE IN THE DEPARTMENT OF ECONOMIC AFFAIRS IN THE MINISTRY OF FINANCE (SHRI EDUARDO FALEIRO): (a) The requisite details would be laid on the Table of the

House to the extent available.

(b) Guidelines for the preparation of fourth round of Districts Credit Plans (DCPs) were issued by Reserve Bank of India (RBI) on 3rd March, 1987. The salient features of these guidelines are given in the statement below.

(c) According to information available with RBI, the DCPs for the period 1988-90 have been formulated in all the Districts of the under noted States:

1. Punjab
2. Himachal Pradesh-except District of Lahul & Spiti
3. Haryana
4. Jammu and Kashmir
5. Tamil Nadu
6. Rajasthan
7. Uttar Pradesh
8. Andhra Pradesh
9. Maharashtra
10. Orissa
11. Madhya Pradesh
12. Kerala
13. Delhi (U.T.)

#### STATEMENT

*Salient features of Guidelines for 4th round of District Credit Plans*

- (i) The District Credit Plans (DCPs) will cover the three year period

from January, 1988 to December, 1990.

- (ii) The objective of the DCP would continue to be the same as those of national plan with its emphasis on elimination of poverty, creating conditions for full employment and satisfaction of basic need through economic expansion, technological development and adoption of effective promotional measures to raise the productivity and incomes of the poorer sections.
- (iii) Lead Bank have been advised to ensure adequate credit for special programmes viz. Waste Land Development, Dry land Farming, Development of alternate source of energy, Special Rice production Programme in the Eastern and North-Eastern Region and Special Oilseeds Development Programme for which state Governments are required to formulate specific schemes.
- (iv) Besides providing credit for priority sector and weaker sections as per norms laid down by Government of India/ RBI, while preparing schemes for DCP, priority would be accorded to the activities listed in the new 20 Point Economic Programme and other special programmes viz. IRDP, Self-Employment Scheme for Educated Unemployed Youth (SEEUY) and Self-Employment Programme for Urban Poor (SEPUP).
- (v) Banks would make efforts to allocate additional resources wherever necessary for undertaking genuine developmental

programmes especially in backward districts/areas.

### **Sale of Indira Vikas Patra**

9159. DR. KRUPASINDHU BHOI: Will the Minister of FINANCE be pleased to state:

(a) when was the sale of Indira Vikas Patra introduced;

(b) whether Government propose to give income tax rebate on Indira Vikas Patra;

(c) if so, since when and the response made to such scheme so far; and

(d) the details thereof?

THE MINISTER OF STATE IN THE DEPARTMENT OF ECONOMIC AFFAIRS IN THE MINISTRY OF FINANCE (SHRI EDUARDO FALEIRO): (a) Indira Vikas Patra was put on sale from 19.11.1986.

(b) No, Sir.

(c) and (d). Do not arise.

### **Growth In Bank Deposits**

9160. SHRI RADHAKANTA DIGAL: Will the Minister of FINANCE be pleased to state:

(a) whether there has been tardy growth in bank deposits during 1987;

(b) if so, the reasons therefor;

(c) the steps taken to strengthen the publicity machinery in different banks to increase the bank deposits in 1988; and

(d) the details thereof?

THE MINISTER OF STATE IN THE DEPARTMENT OF ECONOMIC AFFAIRS

IN THE MINISTRY OF FINANCE (SHRI EDUARDO FALEIRO): (a) and (b). As per the information available from Reserve Bank of India (RBI), the amount of growth of deposits (excluding inter-bank deposits) of Public Sector Banks during 1986 and 1987 was 19.6 per cent and 15.6 per cent respectively. the Reserve Bank of India has reported that lower growth of aggregate deposits in 1987-88 is mainly attributable to the large increase (around Rs. 1900 crores) in buy back arrangements in Government Securities entered into by banks with non-bank clients; as also the unprecedented drought which has also caused a sharp decline in the rate of growth of real income thereby affecting people's capacity to save.

(c) and (d). A Joint Publicity Committee (JPC) has been constituted at the instance of Government/Reserve Bank of India to undertake media publicity on behalf of all Public Sector Banks of schemes which are of common interest to all the banks. Media publicity is undertaken by Joint Publicity Committee through Press Advertisements, Exhibitions, Printing of booklets, posters, Hoardings, Preparation of films and production of Television spots etc. Besides this, banks also individually undertake publicity of or mobilising deposit.

### **Indigenisation of Helicopter Manufactured Under Indo-US joint Venture**

9161. SHRI CHINTAMANI JENA: Will the Minister of COMMERCE be pleased to state

(a) whether the first Brantly helicopter under an Indo-US joint venture will be ideal for the use of VIP's tourism and other miscellaneous purposes;

(b) if so, the number of such helicopter to be manufactured in the next two years indicating the import component thereof;



(c) by what time the entire manufacturing will be indigenised;

(d) whether some foreign countries have shown interest in these helicopters; and

(e) if so, the details thereof?

THE MINISTER OF STATE IN THE MINISTRY OF COMMERCE (SHRI P.R.DAS MUNSI): (a) to (e). It is presumed that the question relates to reports that appeared in the press regarding the production of Brantly helicopters by an Indo-US joint venture unit in the Madras Export Processing Zone, M/s.Naras Aviation Pvt.Ltd.M/s. Naras Aviation Pvt.Ltd. is a company registered at Madras by M/s.Naras Avionics Inc. USA to implement a project for the manufacture and export of air frames and skin panels for helicopters in the Madras Export Processing Zone under an approval accorded to it in January, 1987. The project was to be implemented with technical collaboration and buy back arrangements of M/s. Hynes Aviation Industries Inc. USA, who require these components for the production of two specific models of helicopters. The proposed annual capacity of air frames and skin panels was 60 for each of the two models.

The company had indicated that under its future plans and with the prior permission of Government of India, it would propose to manufacture complete helicopters for export under an expansion programme.

In June, 1987, the company indicated its intention to apply for the manufacture of complete helicopters as an extension to the existing approval and to bring helicopters for demonstration in India.

The Company is yet to import the capital goods and to commence the manufacture of the items already approved for which it has

been allotted a plot in the Madras Export Processing Zone. No application has been received from the company for the manufacture of complete helicopters furnishing the relevant details in the prescribed form. The manufacture of complete helicopters by the company, therefore, does not arise.

#### **Production of Helicopter from Indo-US Joint Venture**

9162. SHRI S.B. SIDNA:  
SHRI CHINTAMANI JENA:

Will the Minister of COMMERCE be pleased to state:

(a) whether the first helicopter of Naras Aviation, an Indo-US joint venture will fly out of its assembly lines during the current year;

(b) if so, whether this is the first such joint venture;

(c) the other total hold provided by the US in setting up this aircraft; and

(d) the annual production thereof?

THE MINISTER OF STATE IN THE MINISTRY OF COMMERCE (SHRI P.R. DAS MUNSI) (a to (d). M/s. Naras Aviation Pvt Ltd. is a company registered at Madras by M/s.Naras Avionics Inc. USA to implement a project for the manufacture and export of air frames and skin panels for helicopters in the Madras Export Processing Zone under an approval accorded to it in January 1987. The project was to be implemented with technical collaboration and buy back arrangements of M/s.Hynes Aviation Industries Inc. USA , who require these components for the production of two specific models of helicopters. The proposed annual capacity of air frames and skin panels was 60 for each of the two models.

The company had indicated that under its future plans and with the prior permission of Government of India, it would propose to manufacture complete helicopter for export under an expansion programme.

In June, 1987, the company indicated its intention to apply for the manufacture of complete helicopters as an extension to the existing approval and to bring helicopters for demonstration in India.

The company is yet to import the capital goods and to commence the manufacture of the items already approved for which it has been allotted a plot in the Madras Export Processing Zone. No application has been received from the company for the manufacture of complete helicopters furnishing the relevant details in the prescribed form. The manufacture of complete helicopters by the company, therefore, does not arise.

[Translation]

#### **Loss Due to Floods in Bihar**

9163. SHRI RAM BHAGATPASWAN: Will the Minister of WATER RESOURCES be pleased to state:

(a) the complete details in regard to the total acreage of land on which crops were damaged, the number of houses of the poor collapsed, the number of human lives cattle heads and property lost due to the recent devastating floods in Bihar;

(b) the amount sanctioned and released by Union Government under the flood control scheme during the last three years, year-wise; and

(c) the arrangements made by Union Government to solve the floods problem of

North Bihar Permanently?

THE MINISTER OF STATE IN THE MINISTRY OF WATER RESOURCES (SHRIMATI KRISHNA SAHI): (a) The Government of Bihar reported the damage due to floods in 1987 in Bihar as under:-

Area of crops affected...	25.70 lakh ha.
Damage to houses(nos.)...	1705000
Human lives lost (nos.)....	1283
Cattle heads lost (nos.)...	5302
Damage to public Utilities..	Rs. 594.06 crores
Total Damage....	Rs. 1433.74 crores

(b) The details of expenditure incurred by the Government of Bihar on flood management schemes during the last 3 years are as under:-

Year	Expenditure (Rs. in crores)
1985-86	39.4
1986-87	47.3
1987-88	43.0 (anticipated)

The amount of central assistance released to the Government of Bihar for flood relief for the last 3 years is as under:-

<i>Year</i>	<i>Amount (Rs.in crores)</i>
1985-86	32.565
1986-87	23.875
1987-88	54.325

(c) In the wake of floods in some parts of the country in 1987, the Government of India have set up in November 1987 a Committee for flood management in the States of Bihar, Uttar Pradesh, Orissa and West Bengal to review the flood management works so far executed in the States and to suggest appropriate strategies to afford long term protection from floods to the flood prone areas.

[English]

#### **Setting up a Tribunal to Solve water Disputes**

9164. SHRI SRIKANTHA DATTA NARASIMHARAJA WADIYAR: Will the Minister of WATER RESOURCES be pleased to state:

(a) which are the Inter-State water disputes mediated by Union Government during 1986-87 and 1987-88;

(b) whether Union Government propose to set up a tribunal for solving the country's water disputes;

(c) if so, the details of terms and reference of the proposed tribunal;

(d) the time by which such tribunal is going to be set up; and

(e) the other concrete steps, if any to be taken to solve the country's water disputes?

**THE MINISTER OF STATE IN THE MINISTRY OF WATER RESOURCES**

(SHRIMATI KRISHNA SAHI): (a). Ravi & Beas Water and Cauvery Waters.

(b) No, Sir.

(c) and (d). Do not arise.

(e) Continue settlement of disputes by negotiations.

#### **Raw Silk Requirements**

9165. SHRI CHINTAMANI JENA: Will the Minister of TEXTILES be pleased to state

(a) the estimated annual requirements of raw silk for the textile industry;

(b) the quantity of raw silk produced annually in the country during the last three years;

(c) the quantity of raw silk imported annually during the last three years;

(d) the date by which the raw silk imported for the current year is likely to reach the handloom industry;

(e) whether the raw silk production in some States/Union Territories is in excess of their own utilisation capacity; and

(f) if so, whether Union Government propose to have the surplus taken over by the authorised agency for distribution to the industry in silk deficit States?

**THE MINISTER OF TEXTILES (SHRI RAM NIWAS MIRDHA):** (a) The annual requirements of raw silk for silk/textile industry is estimated to be around 11,500 tonnes (approximately).

(b) The production of raw silk during the last three years was as under:-

<i>Year</i>	<i>Production (in tonnes)</i>
1985-86	7897
1986-87	8787
1987-88	9420(Prov).

(c) The quantity of raw silk imported during the years 1983-84 to 1985-86 was as under:-

<i>Year</i>	<i>Quantum (in tonnes)</i>
1983-84	1852
1984-85	1454
1985-86	2065

The figures for the year 1986-87 are yet to be compiled by DGCI&S.

(d) Out of the 100 tonnes of raw silk being imported by the Central Silk Board, the first consignment of 24 tonnes has already arrived. This has already been allotted to the identified weaver organisations of various States.

(e) Yes, Sir.

(f) No, Sir.

#### **Proposed Area under irrigation in Maharashtra**

9166. SHRI VIJAY N. PATIL: Will the Minister of WATER RESOURCES be pleased to state:

(a) whether due to severe drought Union Government have finalised plans for augmenting the area under irrigation in the country;

(b) whether Sub-Plans have also been formulated, State-wise;

(c) if so, the additional area proposed to be covered by irrigation in Maharashtra during the seventh five Year Plan;

(d) whether any special attention is proposed to be given to backward and drought prone areas of Maharashtra; and

(e) if so, the details thereof?

THE MINISTER OF STATE IN THE MINISTRY OF WATER RESOURCES (SHRIMATI KRISHNA SAHL): (a) and (b). Yes, Sir. Additional outlays amounting to Rs. 236 crores have been provided to 14 States to expedite certain irrigation projects under the drought relief programme. 50% of this amount is out of assistance provided for employment generation programme and the balance is additionality.

(c) to (e). The additional areas proposed to be created under the drought relief programme in Maharashtra is 14,000 ha. with an outlay of Rs. 26 crores. Further, an additional irrigation potential of 7,45,000 ha. is targeted for VII Plan, part of which would be in backward and drought prone areas of Maharashtra.

#### **Textiles Exports to Middle East**

9167. SHRI VAKKOM PURUSHOTHAMAN: Will the Minister of TEXTILES be pleased to state:

(a) the total amount of textiles export during the last three years, year-wise;

(b) whether it is a fact that our exports to the Middle East has decreased considerably during this period; and

(c) if so, the reasons therefor?

THE MINISTER OF TEXTILES (SHRI RAM NIWAS MIRDHA): (a) The export of cotton textiles (fabrics, made-ups and yarn) during the last three years were as under:-

	<i>(Rs. in crores)</i>
1985	648.56
1986	655.95
1987	1160.23*
	*Provisional.

(Source Cotton Textiles Export Promotion Council) .

(b) and (c). No, Sir. The textile exports to Middle East countries have shown an upward trend.

#### **Tax on Polyester**

9168. SHRI MANIK REDDY: Will the Minister of FINANCE be pleased to state:

(a) the percentage of tax on polyester and the reasons for such high tax; and

(b) the rate of tax on polyester in some of the developing and developed countries?

THE MINISTER OF STATE IN THE DEPARTMENT OF REVENUE IN THE MINISTRY OF FINANCE (SHRI A.K.PANJA): (a). The excise duty rates on polyester staple fibre and polyester filament yarn are given below:-

	<i>Basic duty + Additional duty (Rs. per kg.)</i>
Polyester staple fibre	15
Polyester filament yarn	53.75

In addition, special excise duty at the rate of 5% of the basic excise duty is leviable.

The incidence of duty on polyester staple fibre will be about 35%. In the case of polyester filament yarn, the incidence varies from about 60% to 95% depending on the denierage, type and price of the yarn. The duty incidence at the fibre/yarn stage is high, as the basic excise duty on man-made fabrics has been shifted to the fibre/yarn stage for administrative convenience and effective collection.

(b) Information in this regard is not available.

#### **Interest Rates**

9169. DR.V. VENKATESH: Will the Minister of FINANCE be pleased to state:

(a) whether Government have received any representations for a greater flexibility in the Government's policies on interest rates;

(b) if so, the details thereof; and

(c) the reaction of Government to those suggestions?

THE MINISTER OF STATE IN THE DEPARTMENT OF ECONOMIC AFFAIRS IN THE MINISTRY OF FINANCE (SHRI EDUARDO FALEIRO): (a) to (c). Suggestions have been made from time to time by various trade and industry associations, as well as by economists and other experts, in regard to the structure of interest rates in the country. All these suggestions are taken into account in the formulation of monetary and fiscal policy in the light of the emerging economic situation.

#### **Subsidy to Farmers Under IRDP**

9170. SHRI P. A ANTONY: Will the Minister of FINANCE be pleased to state:

(a) whether Government are considering the system of cash disbursement of subsidy to farmers in some more selected districts in the country under the Integrated Rural Development Programme;

(b) whether Kerala State is also being included for selection of districts for this purpose; and

(c) if so, the details thereof?

THE MINISTER OF STATE IN THE DEPARTMENT OF ECONOMIC AFFAIRS IN THE MINISTRY OF FINANCE (SHRI EDUARDO FALEIRO): (a) No decision has been taken as yet to further extend the system of direct disbursement of loan and subsidy in cash under the Integrated Rural Development Programme.

(b) and (c). Do not arise.

STATEMENT CORRECTING REPLY TO  
USQ NO.781 DATED 26.2.88 RE:YIELD  
OF TEA

[English]

THE MINISTER OF FINANCE AND MINISTER OF COMMERCE (SHRI NARAYANAN DUTT TIWARY): In reply to parts (a) and (b) of the question, the words "Figures in Kg." may be added on right-side top of the table.

The reasons for delay in laying the statement are that the mistake has been detected only recently.

---

12.00 hrs

(Interruptions)

[Translation]

KUMARI MAMATA BANERJEE (Jadavpur): Sir, Water is not available in

Delhi.

[English]

There is water scarcity in Delhi. (Interruptions)

SHRI JAGANNATH PATNAIK (Kalahandi): For the last five days, MPs' flats have no water.

KUMARI MAMATA BANERJEE: The Home Minister should ensure that Delhi citizens get water. (Interruptions)

SHRI JAGANNATH PATTNAIK: People in many parts of the country and especially in Delhi are suffering because there is no water. For the last five days, there is no water in the MPs' flats. (Interruptions)

[Translation]

MR.SPEAKER: Haven't you read that poem

[English]

"Water, water everywhere  
but not a drop to drink."

(Interruptions)

MR. SPEAKER: Please listen now. I think they are making efforts. I had a talk yesterday also on your behalf. I think they will be managing it within a day or so. (Interruptions)

SHRI HARISH RAWAT (Almora): Mr. Speaker Sir, in some areas, taps have been running dry to the last 10 days and in some places water is coming on the lower levels but it is not reaching the tanks above.

MR. SPEAKER: Steps are being taken. It will take time to reach.

[English]

PROF. MADHU DANDAVATE (Rajapur): The Vice-Chairman of the Constitutional Committee of the Swedish Parliament has said that some documents on Bofors are available...(Interruptions)

MR. SPEAKER: I will look into it.

(Interruptions)

MR. SPEAKER: Prof, why do you insist? Don't do something which is wrong.

(Interruptions)

[English]

MR. SPEAKER: I have got your notice and I will look into them.

[Translation]

Prof I will look into it, you have given the notice that can I say without going through your notice? Mr. Tewary.

(Interruptions)

PROF. K.K. TEWARY(Buxar): You have called me and now you are listening to them (Interruptions)

[Translation]

MR. SPEAKER: I have heard it, Prof.

(Interruptions)

MR. SPEAKER: Prof. I have heard your submission.

(Interruptions)

[English]

MR. SPEAKER: I have not allowed him.

(Interruptions)\*\*

PROF. K.K. TEWARY: You will recall kindly that yesterday I had requested you to ensure Professor Dandavate and his friends for their riotous and unruly behaviour in the House. The dignity of the House has to be preserved by you.

(Interruptions)\*\*

PROF. MADHU DANDAVATE: When we quietly walked out, was it a riot?

(Interruptions)\*\*

[Translation]

MR. SPEAKER: Shri Tewari, I have heard your submission.

[English]

SHRI DINESH GOSWAMI (Guwahati): I have given notice of a motion under rule 184 that JPC's Report should be rejected. Are you admitting it?

MR. SPEAKER: I would look into it.

SHRI. SHANTARAM NAIK(Panaji): I have given notice of a privilege motion against *Indian Express* for publishing a report criticising maliciously the Joint Parliamentary Committee in a most degrading manner. It is a supreme body of the House which has been criticised by *Indian Express*.

[*Translation*]

MR. SPEAKER: I will look into it. You give the notice why do you insist so much? I have heard it. you give it, I will look into it.

(*Interruptions*)

MR SPEAKER: When all speak together it is not possible to hear anything. One of you should speak. (*Interruptions*)

[*English*]

SHRI SHANTARAM NAIK: I have already given it.

[*Translation*]

SHRI VIJOY KUMAR YADAV (Nalanda): Mr. Speaker Sir, there is acute mosquito menace in Delhi and in many areas, there is scarcity of water.

MR. SPEAKER : Don't you use mosquito nets?

AN HON. MEMBER: Mosquito nets are not available in Delhi (*Interruptions*)

[*English*]

SHRI SAIFUDDIN CHOWDHARY: I have given a privilege motion against the Finance Minister.

[*Translation*]

MR. SPEAKER: I will look into it. you send it again, I will look into it.

(*Interruptions*)

( *English* )

SHRI SAIFUDDIN CHOWDHARY: Mr. J.Vengal Rao said in the House that the Haldia Project has been totally cleared by

the Central Government, but the Minister of State for Finance says that is has not been totally cleared. Are you not concerned about it?

MR. SPEAKER: You write to me again I will see it again.

[*Translation*]

SHRI HARISH RAWAT: Mr. Speaker, Sir, the Central Government employees should have been paid the D.A. instalment much earlier. Due to the delay there is discontent among them.

MR. SPEAKER: I will look into it.

(*Interruptions*)

SHRI HARISH RAWAT: Please tell the hon. Minister Sir, a provision has been made in the Budget, but still the payment has not been made.

MR. SPEAKER: I will look into it.

(*Interruptions*)

[*English*]

SHRI SAIFUDDIN CHOWDHARY: Are you not concerned about it, Sir?

[*Translation*]

MR. SPEAKER: I have sent the reply. If you don't like it, you may object again. I will look into it.

SHRI SAIFUDDIN CHOWDHARY: Sir, I have again given in writing. (*Interruptions*)

[*English*]

It is not a Government running. One Minister says something in the House and



another Minister says something outside.  
What is this? (*Interruptions*)

12.05 hrs.

[*English*]

#### PAPERS LAID ON THE TABLE

**Statement giving reasons for not laying Annual Report etc. of Jute Corporation of India Ltd. Calcutta for 1986-87 within the stipulated time**

THE MINISTER OF TEXTILES (SHRI RAM NIWAS MIRDHA): I beg to lay on the Table a statement (Hindi and English versions) explaining the reasons for not laying the Annual Report and Audited Accounts of the Jute Corporation of India Limited, Calcutta, for the year 1986-87 within the stipulated period of nine months after the close of the Accounting year.[Placed in Library. See No. LT—6038/88]

**Notification etc.: Re exemption to N.E. Mr. Peter S.Munsi, Chairman, SADCC council of Minister etc. from Payment of foreign travel tax and Notification under Customs Act, 1962.**

THE MINISTER OF STATE IN THE DEPARTMENT OF REVENUE IN THE MINISTRY OF FINANCE (SHRI A.K.PANJA): I beg to lay on the Table:-

1. A copy of Notification No. G.S.R.450 (E) (Hindi and English Versions) published in Gazette of India dated the 14th April, 1988 together with an explanatory memorandum regarding exemption to His Excel-

lency Mr. Peter S. Munsi, Chairman of the SADCC Council of Ministers and Vice-President of Botswana and other six members of the delegation who visited India from 11th to 15th April 1988, from the payment of foreign travel tax in respect of their international journey to any place outside India at the end of the said visit under section 41 of the Finance Act, 1979.[Placed in Library See No. LT—6039/88]

2. A copy each of the following Notifications (Hindi and English versions) under section 159 of the customs Act, 1962:-
  - (i) G.S.R.440(E) published in Gazette of India dated the 12th April, 1988 together with an explanatory memorandum making certain amendments to Notification No.77-Customs/80 dated the 17th April, 1980 so as to make it obligatory on the units within the Kandla Free Trade Zone to observe the various conditions stipulated in the Import Policy as notified in the Ministry of Commerce Public Notice No. I-ITC(PN)/85-88 dated the 12th April, 1985 as amended from time to time.
  - (ii) G.S.R. 441 (E) published in Gazette of India dated the 12th April, 1988 together with an explanatory memorandum making certain amendments to Notification No.227-Customs/79 dated the 30th November, 1979 so as to make it obligatory on the Units within the Santacruz Electronics-Export Processing Zone, to observe the various conditions stipulated in the Import

Policy as notified in the Ministry of Commerce Public Notice No. 1-ITC(PN)/85-88 dated the 12th April, 1985 as amended from time to time.

- (iii) G.S.R. 442(E) published in Gazette of India dated the 12th April, 1988 together with an explanatory memorandum making certain amendments to Notification No.263-Customs/86, dated the 16th August, 1985 so as to make it obligatory on the units within the Madras Export Processing Zone, to observe the various conditions stipulated in the Import Policy as notified in the Ministry of Commerce Public Notice No.1-ITC(PN)/85-88 dated the 12th April, 1986 as amended from time to time.
- (iv) G.S.R.443(E) published in Gazette of India dated the 12th April, 1988 together with an explanatory memorandum making certain amendments to Notification No.339-customs/85, dated the 21st November, 1985 so as to make it obligatory on the units within the Noida Export Processing Zone, to observe the various conditions stipulated in the Import Policy as notified in the Ministry of Commerce Public Notice No. 1-ITC(PN)/85-88 dated the 12th April, 1985 as amended from time to time.
- (v) G.S.R. 444(E) published in Gazette of India dated the 12th April, 1988 together with an explanatory memorandum making certain amendments to Notification No. 340-Customs/86, dated the 13th June, 1986 so as to make it obligatory on the units

within the Cochin Export Processing Zone, to observe the various conditions stipulated in the Import Policy as notified in the Ministry of Commerce Public Notice No. 1-ITC(PN)/85-88 dated the 12th April, 1985 as amended from time to time.

- (vi) G.S.R. 445(E) published in Gazette of India dated the 12th April, 1988 together with an explanatory memorandum making certain amendments to Notification No. 262-Customs/85, dated the 16th August 1985 so as to make it obligatory on the Units within the Falta Export Processing Zone, to observe the various conditions stipulated in the Import Policy as notified in the Ministry of Commerce Public Notice No.1-ITC(PN)/85-88 dated the 12th April, 1985 as amended from time to time.[Placed in the library See No. LT—6040/88]

**Annual Report etc. of Deposit, Insurance and Credit Guarantee Corporation, Bombay, for the year ending 31-12-1987.**

THE MINISTER OF STATE IN THE DEPARTMENT OF ECONOMIC AFFAIRS IN THE MINISTRY OF FINANCE (SHRI EDUARDO FALEIRO): I beg to lay on the table a copy of the Annual Report (Hindi and English versions) of the Deposit Insurance and Credit Guarantee Corporation, Bombay, for the year ended the 31st December, 1987 along with Audited Accounts under the sub-section(2) of section 32 of the Deposit Insurance and Credit Guarantee Corporation Act, 1961. [Placed in library. See No. LT—6041/88]

12.06 hrs.

## MESSAGE FROM RAJYA SABHA

*[English]*

SECRETARY GENERAL: Sir, I have to report the following messages received from the Secretary-General of Rajya Sabha:-

- (i) ' I am directed to inform that the Lok Sabha that the Rajya Sabha, at its sitting held on the 27th April, 1988, has passed the enclosed motion referring the Shipping Agents (Licensing) Bill, 1987, to a Joint Committee of the Houses and to request that the concurrence of the Lok Sabha in the said motion and the names of the Members of the Lok Sabha to be appointed to the said Joint Committee may be communicated to this House.

## MOTION

"That the Bill to provide for the introduction of a system of licensing to regulate the business of shipping agents and for matters connected therewith be referred to a Joint Committee of the Houses consisting of 45 members; 15 members from this House, namely:-

1. Shri Bhaskar Annaji Masodkar
2. Shri P.C.Jamir
3. Shri John F. Fernandes
4. Shri Bubanneswar Falita
5. Dr. (Shrimati) Najma Heptulla

6. Shri Jagdish Jani

7. Shri Raoof Valiullah

8. Shri Suresh Kalmadi

9. Shri Thangubaalu

10. Shri Yashwant Singh

11. Shri Bapu Kaldate

12. Shri Mohd. Khaleelur Rehman

13. Shri Kailash Pati Mishra

14. Shri Sharat Yadav; and

15. Shri M.R. Baby

30 members from the Lok Sabha;

That in order to constitute a meeting of the Joint Committee the quorum shall be one-third of the total members of the Joint Committee;

that in other respects, the Rules of Procedure of this House relating to Select Committee shall apply with such variations and modifications as the Chairman may make;

that the committee shall make a report to this House by the first day of the 146th Session of the Rajya Sabha;

that this House recommends to the Lok Sabha that Lok Sabha do join in the said Joint Committee and communicate to this House the names of members to be appointed by the Lok Sabha

to the Committee."

- (ii) "In accordance with the provisions of rule 111 of the Rule of procedure and Conduct of Business in the Rajya Sabha, I am directed to enclose a copy of the Rajghat Samadhi (Amendment) Bill, 1988, which has been passed by the Rajya Sabha at its sitting held on the 27th April, 1988."

# RAJGHAT SAMADHI (AMENDMENT) BILL

[English]

## As Passed by Rajya Sabha

SECRETARY GENERAL: Sir, I lay on the Table the Rajghat Samadhi (Amendment) Bill, 1988, as passed by the Rajya Sabha.

12.07 hrs.

## ASSENT TO BILLS

[English]

SECRETARY GENERAL: Sir, I lay on the Table copies duly authenticated by the Secretary-General of Rajya Sabha, of the following four Bills passed by the Houses of Parliament during the current session and assented to since a report was last made to the House on the 22nd April, 1988:-

1. The Parsi Marriage and Divorce (Amendment) Bill, 1988.
2. The Authorised Translations (Central Laws) Amendment Bill,

1988.

3. The Repealing and Amending Bill, 1988.
4. The Illegal Migrants (Determination by Tribunals) Bill, 1988.

12.071/2 hrs.

## PUBLIC ACCOUNTS COMMITTEE

[English]

- (i) **STATEMENTS** showing action taken by Government in recommendations made by the Committee.

SHRI AMAL DATTA Diamond Harbour: I beg to lay on the table (Hindi and English (Versions) of the following statements:

- (i) Statement showing action taken by Government on the recommendations contained in Chapter I and final replies in respect of Chapter V of Two Hundred and Twenty-ninth Report (Seventh Lok Sabha) on Opening of a new Automatic Exchange at Bagh Bazar, Calcutta and Projects for installation of three tele-phone exchanges at Railwaypura, Ahmedabad.
- (ii) Statement showing action taken by Government on the recommendations contained in Chapter I and final replies in respect of Chapter V of Eighteenth Report (Eighth Lok Sabha) on performance of Container Service.
- (iii) Statement showing action taken

[Sh. Amal Datta]

by Government on the recommendations contained in Chapter I and final replies in respect of Chapter V of Seventieth Report (Eighth Lok Sabha) on Union Excise Duties.

(ii) **Hundred and Thirty-fourth to Hundred and Thirty-eighth Reports**

SHRI AMAL DATTA (Diamond Harbour): I beg to present the following Reports (Hindi and English Versions) of the Public Accounts Committee:

- (1) Hundred and Thirty-fourth Report on Universal Elementary Education in the age group 6-14.
- (2) Hundred and Thirty-sixth Report on Income escaping assessment.
- (3) Hundred and Thirty-fifth Report on Action Taken on 96th Report (Eighth Lok Sabha) on National Project on Biogas Development.
- (4) Hundred and Thirty-seventh Report on Action taken on 78th Report (Eighth Lok Sabha) on Relief and Refunds.
- (5) Hundred and Thirty-eighth Report on Action Taken on 34th Report (Eighth Lok Sabha) on Union Excise Duties—Price not the sole consideration for sale.

12.08 1/2 hrs.

**COMMITTEE ON PUBLIC UNDERTAKINGS**

[English]

**Forty-seventh Report and Minutes**

SHRI VAKKOM PURUSHOTHAMAN (Alleppey): I beg to present the Forty-Seventh Report (Hindi and English Versions) of the Committee on Public Undertakings on Indian Airlines—Fare and Cost aspects and Minutes of the sittings of the Committee relating thereto.

12.09 hrs.

**COMMITTEE ON THE WELFARE OF SCHEDULED CASTES AND SCHEDULED TRIBES**

( English )

**(i) Thirty-Seventh and Thirty-eighth Reports**

SHRI RAM RATTAN RAM (Hajipur): I beg to present the following Reports of the Committee on the Welfare of Scheduled Castes and Scheduled Tribes:

- (i) Thirty-seventh Report (Hindi and English Versions) of the Committee on the Ministry of Steel and Mines (Department of Steel)—Reservations for, and employment of, Scheduled Castes and Scheduled Tribes in Steel Authority of India Limited
- (ii) Thirty-eighth Report (Hindi and English versions ) of the Committee on the Ministry of

Human Resources Development (Department of Education) - Reservations for, and employment of Scheduled Castes and Scheduled Tribes in University Grants Commission and Central Universities and admission and other facilities provided to Scheduled Caste and Scheduled Tribes students.

**(ii) Minutes of the Sitzings**

SHRI RAM RATTAN RAM: I beg to lay on the Table:

- (i) The Minutes (Hindi and English versions) of the sittings of the Committee on the Welfare of Scheduled Castes and Scheduled Tribes relating to their 29th Report on Ministry of Civil Aviation — Reservations for, and employment of Scheduled Castes and Scheduled Tribes in Air India presented to the House on the 12th November, 1987;
- (ii) The Minutes (Hindi and English versions) of the sittings of the Committee on the Welfare of Scheduled Castes and Scheduled Tribes relating to their 30th Report on Ministry of Welfare — Socio-Economic conditions of Scheduled Castes and Scheduled Tribes in the Union Territory of Andaman and Nicobar Islands presented to the House on 12 March, 1988;
- (iii) The Minutes (Hindi and English versions) of the 1st to 30 sittings of the Committee on the Welfare of Scheduled Castes and Scheduled Tribes (1987-88).

**12.10 hrs.**

**BUSINESS OF THE HOUSE**

[English]

THE MINISTER OF PARLIAMEN-  
TARY AFFAIRS AND MINISTER OF IN-  
FORMATION AND BROADCASTING  
(SHRI H.K.L.BHAGAT): With your permis-  
sion, Sir, I rise to announce that Government  
Business in this House during the week  
commencing 2nd May, 1988, will consist of:-

- (1) Consideration of any item of Government Business carried over from today's Order Paper;
- (2) Discussion on the motion regarding an allegation made by Shri K.P.Unnikrishnan regarding cornering of licences by Bachchan Brothers.
- (3) Discussion and voting on Demands for Excell Grants (General) for 1985-86.
- (4) Consideration and passing of:-
  - (a) The Special Protection Force Bill, 1988.
  - (b) The Employees Provident Fund and Miscellaneous Provisions (Amendment) Bill, 1988.
- (5) Discussion on the Resolution seeking Continuance in force of the Proclamation dated 11th May, 1987 in respect of the State of Punjab.
- (6) Consideration and passing of the following Bills, as passed by Rajya Sabha:

[Sh. H.K.L. Bhagat]

(a) The Cine workers and Cinema Theatre workers (Regulation of Employment) Amendment Bill, 1987.

(b) The Companies (Amendment) Bill, 1988.

SHRI SOMNATH CHATTERJEE (Bolpur): Why is he whispering, Sir?

PROF. MADHU DANDAVATE (Rajapur): Why not a bit louder?

SHRI H.K.L.BHAGAT: I read what they sit with you and decide.

[Translation]

MR.SPEAKER: He is saying that you real loudly. Why are you whispering?

SHRI H.K.L.BHAGAT: I was not whispering.

[English]

I am not not as loud as Prof. Madhu Dandavate is; Parliamentary Affairs Minister cannot afford to be.

(Interruptions)

PROF. MADHU DANDAVATE: It is like a silent movie!

SHRI BALASAHEB VIKHE PATIL (Kopergaon): The following matter may be included in the next week's business:

Government should take urgent steps to create infrastructural facilities and amenities in the rural areas to avoid congestion in the Urban areas so that people get good education and enjoy all modern facilities. Shopping centres should be provided in rural areas. Rural people should enjoy all

amenities under an integrated development scheme. Agro-based industries should be encouraged on co-operative basis to avoid migration from the rural to urban areas. Some items should be reserved for farmers co-operatives.

[Translation]

SHRI K.N.PRADHAN (Bhopal): Mr. Speaker, Sir, please include the following matter in the list of business for the next week.

40 months have passed since Bhopal gas tragedy took place. With the passage of time the difficulties of the gas-affected people are multiplying. On the one hand, the compensation case is still hanging fire in the court only for the interim relief and on the other, the relief and rehabilitation work started by the Government is being carried on at a snail's pace.

The Central Government has so far provided assistance of only Rs.60.62 crores at the rate of 9.25 per cent interest and even out of that according to the terms and conditions, the State Government has already returned Rs.11 crores. So, in actuality, for the relief and rehabilitation work, the M.P. Government has to rely on its own resources, which is quite burdensome for a poor state like M.P. and this will have adverse effect on the development work of the State. So, the situation arising out of the gas tragedy should be considered and the Centre should provide adequate assistance immediately so that the action plan drawn up by the State Government may be implemented effectively.

SHRI HARISH RAWAT (Almora): Mr Speaker, Sir, Kindly include the following two matters in the list of business for the next week.

1. The Joint Advisory Committee of the

Ministry of Defence had referred the case of fixation of pay-scales of packers to a tribunal appointed by the Ministry of Labour. The Ministry of Defence has not yet implemented the award given by the Board of Arbitration on 1.11.85 after hearing the views of the Ministry of Defence and Packers Association on 20.5.86. The Department had written to the Packers Association to desist from staging dharna. The Hon. Minister of State in the Ministry of Defence informed in his reply to the unstarred question on 13.8.86 that a final decision is likely to be taken soon in this regard. While the technical and casual workers working at C.W.E. Air Force Palam Under Chief Engineer, Delhi zone, have not been regularised, workers on muster-roll have been regularised. Due to this discrimination there is great resentment among the workers. Justice demands that the casual workers should also be regularised.

I request the Hon. Minister of Defence to implement immediately the award given for the packers.

2. All the water resources in the hill areas of Uttar Pradesh have dried up due to scanty rainfall during the last two years. It is likely to result in acute shortage of drinking water and fodder this year. The efforts undertaken to meet the situation are totally insufficient. It seems that the Government has not realised yet the gravity of forthcoming shortage of drinking water and fodder to be faced in the regions, whereas measures should have been taken in advance to meet the situation. I request the Central Government to make extensive efforts to meet the situation and also allocate more funds to the State Government therefor.

[English]

**SHRI SRIBALLAV PANIGRAHI (Deogarh):** The following item may be included in the next weeks agenda:-

The total traffic handled through Paradip Port during 1987-88 was 51.87 lakh M.T. Because of the proximity of the Port to the Steel Mills, this port should be a neutral choice for importing coking coal for the Steel Sector. This import is on the increase from year to year. Because of deep draft, this port is alone handling bigger vessels carrying about 55,000 M.T. of coking coal to the advantage of the importers. The Ministry of Steel should, therefore, instal mechanised unloading arrangement at this port to expeditiously handle the large quantities of coking coal. This facility could be installed in Paradip itself at considerable lesser cost and without any hazard to the environment. Further, the problem of the Paradip Port has been aggravated owing to the slowing down of movement of iron ore to the Port by rail and non-supply of required number of racks at Paradip to carry the coking coal to the Steel Mills.

I would therefore urge upon the concerned authorities to ensure availability of rakes in required numbers well in time for carrying iron ore to Paradip and coking coal from Paradip.

**SHRI SYED SHAHABUDDIN (Kishanganj):** The following items may be included in the next weeks agenda:-

1. Thousands of historic monuments, some of great artistic and architectural value have not been declared protected monuments. Consequently, they are not only subject to wear and tear on account of efflux of time but victims of human depredations. In Delhi alone, over the last 70-80 years and more rapidly since independence, hundreds of known and listed monuments have totally vanished or reduced to unreasonable forms. What is worse, even those which are protected are not receiving due care and attention either in the form of due vigilance or regular maintenance and repair. Restoration of priceless cultural heritage is some-



[Sh. Syéd Shahabuddin] times carried out but in a shoddy manner. All this is largely due to constraint of sources and not due to any lack of technology, though the authorities may also need tightening up. In any case, the cultural heritage of the nation must be saved.

2. There are continuing complaints about unfair allocation of time on the electronic media to various languages spoken and understood in the nation as a whole or in the service area of each centre/station of the Doordarshan or the AIR. The linguistic policy of the official media must satisfy the legitimate aspirations of all linguistic groups, big and small. For this, allocation of time must be based on rational criteria so that the just demands can be met and unfair demands can be silenced.

[Translation]

SHRI MOHD. MAHFOOZ ALI KHAN (Etah): Mr. Chairman, Sir, Kindly include following matter in the list of business for the next week.

The country has been facing severe drought for the last several years. Uttar Pradesh has also been affected thereby. There is acute shortage of potable water in my district Etah. The wells in the district have dried up and ground water level has gone down considerably. The number of hand pumps installed by the State Government there is insufficient. At least 500 large hand-pumps are still needed there. The Central Government should provide 50 lakhs of rupees for the purpose.

SHRI NANDLAL CHAUDHARY (Sagar): Mr. Chairman, Sir, please include the following matter in the list of business for the next week.

Due to scanty rainfall or no rain fall for the last four years in the many districts of

Madhya Pradesh including Sagar district, water sources like wells, tanks, rivers, etc. are drying up. Ground water level is also going down there, resulting in acute shortage of drinking water there. The shortage of water in the wells, tanks rivers etc. is also affecting the water supply projects. Therefore, adequate arrangements should be made immediately for providing drinking water for the human beings and the cattle. Wells and tanks should be deepened and deep boring should be done for hand-pumps and tube-wells. More drilling machines and rigs should be provided to the Madhya Pradesh Government by the Central Government for deepening the existing wells, tanks, hand-pumps and tube-wells. Side by side, new wells should be dug-up and more hand pumps and tubewells should be installed. The Central Government should immediately provide sufficient financial help as grant-in-aid to the Madhya Pradesh Government in the public interest.

In order to find a permanent solution to the drinking water problem of Sagar City, it would be in the public interest to sanction the water supply project from Narmada immediately. This project should be undertaken on war footing. At the same time, sand removing machines should be brought from ports to deepen 'Sagar' tank.

[English]

KUMARI MAMATA BANERJEE (Jadavpur): Following matter may be included in the next week's business:

When we are going forward towards 21st century, it is regrettable that atrocities on women are increasing in different parts of the country. Women are being raped and tortured and they have no remedy. Recently these things have taken place under the very eyes of the law enforcing authorities. It is a known fact that women are being smuggled out of the country for sheer exploitation.

Government should see that women get the proper protection of the law of the land.

SHRI H.K.L.BHAGAT: I will convey the observations of the Hon.Members to the Business Advisory Committee.

*The motion was adopted.*

MR. CHAIRMAN: Now discussion on the Finance Bill.

12.18 hrs.

### ELECTION TO COMMITTEE

#### Coffee Board

[English]

THE MINISTER OF STATE IN THE MINISTRY OF COMMERCE (SHRI P.R.DAS MUNSI) : I beg to move:

"That in pursuance of sub-section (2) (b) of Section 4 of the Coffee Act, 1942 read with rule 4(1) of the Coffee Rules, 1955, the members of the House do proceed to elect, in such manner as the Speaker may direct, two members of the Coffee Board, subject to the other provisions of the said Act and the Rules thereunder."

MR. CHAIRMAN: The question is:

"That in pursuance of sub-section (2) (b) of Section 4 of the Coffee Act, 1942 read with rule 4(1) of the Coffee Rules, 1955, the members of the House do proceed to elect, in such manner as the Speaker may direct, two members from among themselves to serve as members of the Coffee Board, subject to the other provisions of the Said Act and the Rules made thereunder."

12.19 hrs.

### FINANCE BILL, 1988—CONTD

[English]

DR. DATTA SAMANT (Bombay South Central): While presenting the Budget in this House, the hon. Finance Minister announced a lot of concessions to the fertiliser factories, cement factories, textiles and the hon. Members went on thumping the desks as if socialism is going to come and prices are going to come down. The concession was given to the textiles, Rs. 27 to polyester fibre Rs. 10 to filament yarn, 50 per cent to nylon. Two months after the presentation of the Budget, when I made enquiries in the market, I found that the rates of cloth had not come down. If the same concessions were passed on to the consumers, the per metre cost of the polyester cloth must have gone down by Rs. 2 to Rs. 10. Immediately a monitoring committee was appointed and something was published. Even Mr. Dhirubhai Ambani gave a press statement that he had reduced the prices from Rs. 187 to Rs. 157. When I made enquiries from Bhiwandi, which is a complex of power-looms, I found that he had sold cloth to his agents, his own relations, and then made this publicity. I am not particular about any individual. But is it the way this Government is going to function? Everyday they are giving new concessions to private mill-owners, forgetting about workers. They are not caring for them. Already 1.6 lakh workers are dying. Even for the consumers they are not bothered. So, I really feel that this Government is not bothered about the average public.

[Dr. Datta Samant]

Take the Reliance Industries. Ten thousand tonnes capacity has been allowed to them, but by underhand dealings they are producing about twenty-five thousand tonnes. They have imported the machinery without paying the taxes. An enquiry was also conducted about this but nothing has been done. Gradually the Government is encouraging them. Today I have read in the Press that their turn-over has gone up to Rs. 1,500 crores and their profits have gone up to Rs. 117 crores. But our NTC and other mills are gradually dying. As a result of such type of textile policies and various other economic policies adopted by this Government, the average mill owner, the poor workers and the consumers are dying. Only 5-6 big industrial houses of this country are progressing. The Finance Minister, at the Congress session at Madras, has already given a warning to the fertiliser factories. He has said that if they are not going to pass on the concessions to the average consumer, then he is going to withdraw those concessions. He has been talking in this language but nothing is being done.

Same is the case with cement. Rupee one per bag must go down but it is not being done. Similarly, on nylon, 50 per cent concession should be given, but that has not been done. Therefore, it is a total failure of the Government. Black-money is generated because of such policies of the Government. All concessions have gone only to the big business houses.

The inflation rate has touched the double digit. In March end, the index has gone up to 417.7, which is 10.4 per cent more than the last year. Last year it was six per cent more than the previous year, and before that it was three per cent more than the previous year. So, the inflation is going on at double the rate just within two months after the Budget. So, it is the economic failure of the country. In the mid-term report

on the last three years of the Seventh Plan, the Price Index is shown to have gone up by 20.6 per cent. This is about the Wholesale Price Index. So, the Consumer Price Index must have gone up by about 30 per cent. The average poor man in the village may be paying even higher prices. Therefore, in the last three years of the Seventh Plan, since the Rajiv Gandhi Government has come into power, the prices in this country, as per the official index, has gone up by more than 30 per cent.

Coming to the workers, all the M.Ps. on your side as well as on our side are unanimous on one point that the income-tax exemption limit for the salaried people should be increased from Rs. 18,000 to Rs. 30,000. But the Government is not bothered about this. The corporate people are amalgamating their losses with the profit-making units. All the concessions in income-tax have been given to the big business houses. But for the salaried people of this country, who are the honest tax-payers, this Government has failed to increase the income-tax limit, in spite of requests from all the M.Ps. in both the Houses. Therefore, once again I appeal to them that the time has not gone and they should raise the limit up to Rs. 30,000.

Coming to the closure of industries, out of fourteen lakh industries in this country, 1.5 lakh industries are closed. That means about ten per cent industries are closed. How is the Government going to account for that? Now, what are the reasons for their closure? The hon. Industry Minister always blames me that the workers are responsible for this. The workers are only two per cent. It is the fraud, mismanagement, not taking interest and going from old to new industries, which are responsible for the closures. Now another ten per cent of the industries are on the verge of closure. Rs. 5,000 crores bank money is lost. Maharashtra, particularly Bombay, is the biggest area where maximum industries are closed. There is a ten-

dency to shift the industries from there to outside, and both the State Government and the Central Government are encouraging it. They want to shift the textile workers and other workers of Bombay, who are the backbone of all the workers of Bombay, away from there and thus make it easy for the business magnates, for black-marketeers to sell their lands. I strongly protest this type of attitude of the Government. I am not against starting industries in the backward areas, but it should not be the policy that the existing good industries should be closed and new bad industries should be started.

Now, what is the function of the Bombay Sick Industries Board? There is no office of this Board. Already 1,50,000 industries have been closed. Already 700 big industries have been closed. This Board is having good teeth and weapons. It can change the Director if he is going to make the unit sick. It can club the sick units with the healthy units. Take the cases of Tata and Birlas. Their assets have gone up to many fold, about Rs. 42,000 crores. But they are making the units sick and handing over them to the Government and the Minister, Shri Mirdha and the Government say that they are not going to take over them. But don't make scape-goat of these workers. Therefore, I would request the Government to make use of the provisions of the Act and use the powers against the Boards and remove the Directors. You try to club the sick units with the healthy units. You stop giving further loans to them. I ask you that this Bill was passed about three years ago. But have you acted against a single employer of this country using such type of provisions which you are having in your hands? I say you have miserably failed in that. You are going to allow them to close the units. This is going to butcher the national economy.

Sir, in regard to the private sector, what is their contribution to the country's economy? It is not even 10% share of the

country's total economy. With only Rs. 2 crores or Rs. 3 crores, they are cornering the share capital worth of Rs. 200 to Rs. 300 crores has gone up. Both ways they are gaining. It is the private sector which is run with the public money. It is not the question of bank money. The loss is not incurred by the banks when the unit is closed. When it is closed it is the workers who are affected. Now, there are about 50 lakh workers who are out of job. Sir, this is a big drain on the national economy. It is a big gain to the black-marketeers who are collecting money on which the Government is totally silent. Sir, as per the Companies Act, about 39, 386 prosecutions were lodged all over the country. About 8,000 employers were prosecuted. But did anybody go behind the bar? They were imposed a fine of Rs. 300 or Rs. 400 for diversifying the funds, for making money and not holding meetings, deceiving shareholders etc. For such type of offences, you are going to impose on them a fine of Rs. 399 or Rs. 400. That shows how lenient you are with these big business people in this country. They are just fooling you and they are asking every time concessions. The textile people have come to you and asked for some concessions and I am sure you are going to give them some concessions very shortly.

Sir, in regard to the unemployment I would like to point out that the industrial houses are employing thousands of workers. According to the mid-term survey, the employment potential has gone up by 1.5%. I will take up big houses employing more than thousand workers. Their assets have gone up, their profits have gone up and their turn-over has gone up. But the employment potential of these big houses has gone down by 1.5%. In the public sector, there are about 21 lakh workers. Appointment on temporary basis is stopped. From the Mazagon Dock workers have been removed. Voluntary employment scheme was stopped and about one lakh workers were removed. In

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the Railways the employment potential remained static, that is, remained at 16 lakh workers for the last four years. Due to the closure of so many factories, lakhs of workers have been put out of job. Now, about one crore workers are without job for no fault of theirs. In the Textile mills about 1.60 lakh workers have been removed and in the jute industry about 80,000 workers have been without job. On what basis? I have nothing against the Prime Minister. You declared in Madras the slogan of 'bekari hatao'. But I have given these figures from your own statistics.

Now, Sir, for the employment guarantee scheme and poverty removal scheme, whatever amount you are giving is not at all sufficient. About 50 lakh workers will get the job for 100 days per year. Is it going to remove unemployment in this country? Sir, only the small industries have been able to give a little more jobs and therefore the whole planning of this country, as far as employment potential is concerned, has miserably failed and in spite of such failure, you talk of 'bekari hatao'. All right I admit it. But at least you do it in 10 years to come, that is, by 2000 A.D. Can you remove employment from this country by 2000 A.D.? I strongly protest against such policies of the Government.

Sir, this Government has made a lot of raids in the big houses of business people, like Kirlskar, Thapars, etc. But what happened to those raids? When Shri V.P. Singh was the Minister, they were arrested. I am not against them. But those blackmarket-eers who are making a lot of money, what will happen to them and what action have you taken against them? Sir, about Rs. 2.4 lakh crores are shown as internal and external debts. You know that about Rs. 80,000 crores are there in the country's economy as black money. What will happen to the country's economy? You are heading for

privatisation and you are encouraging the big houses and those who are committing PERA violation and income-tax evasion and they are collecting black money. You should take some stern action against them. I am asking the Minister what concessions were given and what cases were dealt with in regard to big industrial houses. Our Prime Minister recently said:

[*Translation*]

We are Second to none.

[*English*]

What happened regarding the raids on Goenka? What happened further in this regard, I do not know.

I would like to give one instance. One day a havildar has taken the gangster of a village to the police station. So, everybody in that village was happy. But the gangster was neither arrested nor taken to the court. Then everybody started suspecting that the havildar had taken some bribe. Similar things are happening regarding the raids here. Because Mr. Goenka is supporting CPI(M) and Hinduja want to enter in the Haldilia project and Malliah is supporting Jayalalitha, these raids are there. The Hinduja are having Rs. 14000 crores as their assets and properties, which is three times more than those of Tatas and Birlas. In Bombay the building should be constructed 500 meters from the sea, but Hinduja has constructed the building 500 metres in the sea flouting all the laws. I am not against this. But somebody says that he wants to enter into the Haladilia project and that is why the raid is there. These people are making black money and spoiling the economy. Therefore, I appeal to the Government to take some concrete steps and see that all these things are set right.

Regarding the textile mills, Lakhs of

workers are massacred and with whatever concessions are given to these big houses. I think the textile industry will go into the hands of these few people. There is a lot of potential in cotton yarn, India is having a lot of cotton and therefore, use this potential and improve these NTC mills so that the farmers of the country will get some relief. The whole policy of this Government is to give concessions to these private people and big houses who are going to ruin the economy of this country. That is what is happening as far as unemployment is concerned, as far as poverty is concerned and as far as inflation is concerned. The growth of population is now 2 per cent every year.

In the end, I am totally to this Finance Bill and the Budget. Thank you very much for giving this opportunity to speak.

**SHRI S. JAIPAL REDDY** (Mahbubnagar): Mr. Chairman, Sir, our Finance Minister, Mr. N.D. Tiwari, is a man of captivating charms and disarming cheerfulness and his genius for public relations has been put to devastating effects in the Budget. Sir, he packaged the budget so nicely that minor reliefs have been prominently revealed and major problems totally concealed. Sir, the economic filament of the nation has been darkened not by one, but many a cloud, but the Government insists on adopting an ostrich-like attitude and refuses to see the aggravating problems. The people of India are sought to be treated like so many children who can be tackled with lollipops. The Government is today hit by insolvency. The economy is hit by stagnation and people are hit by inflation. To overcome these multi-dimensional problems, the Ruling Party is resorting to horde of slogans and shibboleths without any philosophical commitment or programmatic content or even financial support.

The state of economy, Sir.... (*Interruptions*) is disturbing from whatever angle that

may be looked.

**PROF. K.K. TEWARY** (Buxar): That is neither sound, nor fury, but utterly vacuous.

**SHRI S. JAIPAL REDDY**: Starting from the Budget, it should be noted that the Central Government expenditure has gone up from only 18% of the GDP in 1980-81 to about 23% over the past three years. Secondly, Sir, the plan outlay as a percentage of total expenditure has declined from 41% in 1980-81 to only 35% in 1988-89. Thirdly, Sir, the Defence expenditure and interest payment together have gone up from 28% of total expenditure in 1980-81 to 37% in 1988-89. You may ask me as to why I am picking on this year, 1980-81. This was the year which marked the return of the prodigals, the second reign of Mrs. G. and Congress-I and glorious descendants.

Fourthly, there is steep increase in deficit on revenue accounts from Rs. 2,000 crores in 1980-81 to Rs. 9,800 crores in 1988-89. In other words, throughout the decades of '80s, the Government had to borrow even to meet its revenue expenditure. We may not, as yet, have been caught in what is called 'internal debt trap' but we are fast heading towards it. The interest payment and repayment of principal may soon equal or even exceed our gross borrowings. 70% of the new domestic borrowings will from now on be spend on repayment of old domestic borrowings. The external debt service charges of Rs. 2085 crores amount to debt service ratio of 24%. This means, almost one-fourth of the total external earnings of our country are going to be spent on repayment of loans.

The Budget shows that at the end of the financial year 1988-89, we are likely to close with a huge public deficit of Rs. 1,40,000 crores and Rs. 84,000 crores as other liabilities. These have doubled. Our liabilities have doubled in the last 4 years from Rs.

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113,000 crores in 1984-85. If these liabilities were to be backed up by assets, they would not have caused us so much anxiety and worry. It is not so. It was so up to 1979-80. But by 1988-89 end, nearly 17% of the liabilities will have no back-up of assets.

Sir, I may bring to your notice two other features of the public debt. The increase in external debt had been less than that of total liabilities. Since 1979-80, it has increased 2 1/2 times. The average rate of interest on interest bearing obligations and debate have increased from 4.42% in 1980-81 to 7.24% in 1988-89.

In 1987-88, more than Rs. 2,100 crores worth of public sector bonds were floated. This is in addition to other borrowing. A similar performance is bound to be repeated this year. The important factor to note is this: the public sector helped the Government in keeping down the increase in public debt. We must remember that the public sector debt is also under-written eventually by the Government. The quantum of deficit that we have from year to year up to Seventh Plan bodes ill for the price front. If the deficit in 1985-86 was only Rs. 3,439 crores, the deficit this year will be, even according to of the Budget, Rs. 8,120 crores. In four years, our Budget deficit has touched the dizzy figure of Rs. 26,000 crores while in the Seventh Plan, the ceiling was only Rs. 14,000 crores. This kind of reckless deficit financing is bound to have its deleterious effect on the price situation.

With a view to controlling the price situation, the Government was compelled to resort to many such measures as reduced credit for food, greater imports of commodities in short supply like oil, sugar and pulses and drawal of foreign exchange reserves to meet heavy trade deficits. But there is a limit to which we can take recourse to these factors. We cannot indefinitely go on count-

ing on these factors. We must, therefore, make a major determined effort to reduce our deficit levels.

But in spite of this, even the Government admits that the wholesale price index shows 10% rise this year. Even this wholesale price index is deceptive because the situation is much worse in terms of retail price index. Apart from this, the wholesale price index through its aggregation conceals the tremendous havoc caused to agricultural workers in the rural sector. For the agricultural workers in rural sector, the food and non-food increases in terms of price, range from 13 to 23%.

The Budget, no doubt, makes some flamboyant claims. First it is agriculture-oriented. Secondly, it has given a push to rural housing. The third is that it provides consumer relief. But, we know from experience that Budget provisions per se mean nothing. We have the experience of large Budget provisions being made for bold and new programmes at a Budget for which no funds are released. Revised estimates merely show either a token outlay or sometimes none at all. There is no point whatsoever in starving worthwhile on-going programmes, only to initiate new glittering schemes.

MR. CHAIRMAN: Please conclude.

SHRI S. JAIPAL REDDY: Sir I am the only person speaking for my party. I want you to give some more time. I will now give a few examples. Last Year's budget speech by the Prime Minister earmarked Rs. 125 crores in 1987-88 for Indira Awas Yojana. But, Sir, one does not find any mention of this—if the Finance Minister could help, I would be grateful to him immensely—in the budget papers of either 1987-88 or 1988-89. Apparently, the buck has been quite passed on to the Reserve bank of India which will become a favourite whipping boy.



Let us now see what the budgetary allocation under Demand No.74, Major Head 4216 'National Housing Bank' is stated to be. I am referring to the Head 15.03 - National Housing Bank. In 87-88, the Budget allocation was Rs. 4 crores in 87-88, the Revised Estimate was Zero. In 88-89, the budget allocation is 0.01. whatever that might mean. Our Finance Minister may be a mathematical wizard, but I am not. Let me also refer to another new scheme of theirs. They are very good at coining phrases. They called 'thrust Projects' for oil-seeds development. I do not understand where is the need for this new thrust project is the National Oil-seeds Development projects has not been working well? If it has not been working well, then why have you increased the Revised Estimates for 1987-88 to more than double the budget figure? I will read from this year's speech of Shri.N.D.Tiwari. I quote him verbatim.

He has said:

"Last Year, the Prime Minister emphasised the high priority of the housing sector and had announced a decision to set up a National housing bank with an initial capital of Rs. 100 crores and necessary legislation has been passed."

Similarly, the revised expenditure for the National Watershed Development programme is less than 1/4th of the budgeted outlay for 1987-88. So, by jacking up the proposed outlay five times, are we not merely showing a high budgeted figure which we are not inherently capable of spending or sparing?

Coming to the allotments under the Anti-Poverty programmes, if you look at the figures of IRDP, RLEGP and NREP you will find the figures under RLEGP are getting reduced each year, the figures under NREP

are getting increased. The idea is simple. The idea is to increase the burden on the States and lessen the burden on the Central Government and yet project the impression that thrust is being given to the rural sector. Our finance Minister has announced the fertilizer discount in a flamboyant fashion. I would like to know for whose benefit this discount has been given. I charge with a full sense of responsibility that the discount has been given in response to the pressure of the fertilizer lobby because it is not going to be passed on to the consumer and if you are really earnest about passing on the benefit to the consumer or the farmer, you should have decreased the price. You should not have resorted to this clever subterfuge on discount. We have had the experience of your 'Garibi hatao' slogan. Now you have come up with a new slogan, 'Bekari Hatao'. About 'Garibi Hatao' Programme, it will suffice for me to say that the mid-term appraisal of the Seventh Plan document is so shy about its performance on this account that it has not even dared to mention the figure. The objective of the Seventh Plan was to reduce the number of people living below the poverty line from 36.9 per cent to 25.8 per cent, but the mid-term appraisal does not refer to this at all.

Coming to their new slogan 'Bekari Hatao', our experience is not going to be any different. On the contrary it may be even more painful. According to the mid-term appraisal of the Seventh Plan, the casual male labour in the country's total labour force male force has increased from 22.04 per cent in 1972-73 to 28.83 per cent in 1982-83. In other words, unemployment in the rural sector has been growing with the passage of time. During the same period-I am referring to another kind of employment now- the regular salaried-cum -wage male labour in the country's total male labour force has declined from 12.6 per cent to 10.77 per cent. The bulk of the increased industrial production in the coming decade is bound to



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come from modernisation which, eventually, in reality, would mean labour-displacing technology. Already a negative employment trend in the private organized sector can be witnessed by the mere fact that the decline took place by 1.2 per cent between June 1986 and June 1987.

I may also refer to another relevant figure. The monthly average vacancies notified during April-November 1987 were 6.8 per cent less than those notified in the corresponding period of the previous year. With this kind of unemployment problem, rising both in the rural sector and in the urban-cum-industrial sector, I do not know what schemes you have up your sleeves to meet this menace.

I would like to say one word about State Plans. In the Budget one does not find any mention how the State Plans are faring. Nor does one find how their total and sectoral allocations are made. The Finance Minister should note that this reference used to be there in the Budget earlier in the document called 'Budget at a Glance'. I do not know why this deletion has taken place now. The picture that emerges in respect of State Plans is rather disturbing. Whereas the Centre spent in money terms 72 per cent of the approved Plan outlay in only three years, the States are estimated to have spent only 60 per cent. The approved Plan outlay for the States for 1988-89 is only eight per cent more than in 1987-88. This marginal increase in the total plan outlay of all the States in the country will not be enough to neutralise later the price rise. Therefore, I would like the Government to turn its attention to the question of State Plans. I would expect the Minister to answer this aspect of the problem.

Sir, won't take much of your time. My only request to the Finance Minister would be that in addition to dangling the electoral

carrot, the Finance Minister must also spare time and apply his mind to the larger problem of addressing himself to the economy and not merely to the electorate.

PROF. K.K.TEWARY (Buxar): Mr. Chairman, Sir deliberately I will make a very brief speech.

PROF. MADHU DANDAVATE: Scenario should be clarified.

PROF. K.K. TEWARY: I would not like to respond to my esteemed friend Shri Jaipal Reddy's home manufactured statistics and data for it was an exercise in barking up the wrong tree. If you look at the...*(Interruptions)*

SHRI S. JAIPAL REDDY: Mr. Chairman, I am not capable of manufacturing statistics. They were manufactured by the Finance Ministry. I have made one mistake, that is, to rely upon their figures... It is a tribute addressed to Mr. N.D. Tiwari.

PROF. K.K. TEWARY: If you would have noted the frequency of certain words occurring in his speech, you must have seen that most of what he said was based on depression, sadness and a kind of blinkered approach to very major problems that the economy faces today. Therefore, I would not like to waste my time in refuting or meeting his simulated, pretended enthusiasm which he was demonstrating or quoting figures and portraying a very gloomy picture of the economy. Economy, as it is today, is in a very sound health. And Mr. Jaipal Reddy and his friends will do well to analyse it in greater depth rather than indulge in irrelevant polemic as he has done today.

Sir, after dismissing his very...*(Interruptions)*

SHRI S. JAIPAL REDDY: He has nothing to contribute, he is only speaking about me. Obviously, Mr. Tewary and Finance are contradictory in terms.

PROF K.K. TEWARY: After his very raucous speech and very disappointing performance, I will prefer to talk about my State of Bihar. I come from a State which had had a history of millennia right from the time of Vedeahas, thousands of years ago to present time... (*Interruptions*)

SHRI S. JAIPAL REDDY: From Videhas to Dubeyas.

PROF. K.K. TEWARY: Bihar has always been in the forefront of our national effort and our national history. But when I look at my State, I feel sorry for it. We, in terms of population and potential, are the second largest State in the country. The mineral resources available in Bihar are enormous. 42 per cent of the total mineral wealth is found in Bihar and is exploited in the national interest. Our land and water resources are also in abundance. Bihar supplies manpower to rest of the country. In spite of the rich potential and a sound base the State has been sliding down. Since independence, from the 3rd position in terms of total development today we are at the rock bottom bracketed with Nagaland and Tripura. This is the sad situation and this has led to a very glaring instance of regional imbalance.

13.00 hrs.

If you take the figures of fresh investments anywhere in any sector, you will feel that Bihar has not been treated well. There has been a lack of effort and seriousness in looking to the problems of the State. The result is that Bihar seems to sit on a dump of explosives today. Socio-agrarian unrest, violence and naxal activities are growing by leaps and bounds. Many areas in my State today have parallel set of government. In many areas, in many districts we hear of blocks having been liberated. A whole set of administrative machinery including the system of dispensing justice has been set

up. This is a very grim situation.

Therefore Therefore I would like to draw the attention of the Minister to this problem because roughly if you look at North Bihar, it is always in the grip of uncontrollable floods. In South Bihar where 42% of the mineral wealth of the nation is deposited and is exploited by the Central Government and other agencies, is in the grip of violent agitation. South Central Bihar has been the field of operation of socio-agrarian agitationists for nearly 1 1/2 decades. I hope the Central Government will have a fresh look at the problems which Bihar as a State is facing.

I would like to know from the Hon. Minister whether my information is correct that after the 4th Plan there has been no fresh investment worth mentioning in public sector. When you have all the mineral resources there, when you are exploiting them for the welfare of the country - we don't have objection to that; but when it comes to paying royalty to the State...

SHRI S. JAIPAL REDDY: When his Government is winding up public sector, why is he crying in wilderness?

PROF. K.K. TEWARY: You are only proving what I said in the beginning... (*Interruptions*)

There has been no fresh investment worth mentioning since the 4th Plan period in public sector. In private sector I would like to know the figures of letters of intent that have been issued and how many of them have been implemented in the State of Bihar. When you have all available resources there, why is this step-motherly treatment is meted out to my State?

When I talk of investment, I feel really sorry that industrial picture in Bihar is rather

[Prof. K.K. Tewary]

dismal. All major industries in private sector have stopped working; they have come to a grinding halt and no worthwhile effort have been made to revive hundreds of sick units which have been lying closed for years now, rendering thousands of people unemployment.

As I said in the beginning, I would be very brief. I would like to draw the attention of the Hon. Minister to my area, i.e. South-Central Bihar. you must have heard of South-Central Bihar it is the sheet-anchor of extremist violence which is euphemistically called naxal movement. Although there is a socio-agrarian dimension to it but there is no end to wanton killings and violence. What have you done in terms of helping the State out of this situation? Even existing assets have almost disappeared or they are in the process of dis-appearing. In this context I would like to refer to Sone Canal System. It is 120 years old. It used to cater to the irrigation needs of five districts which constitute South-Central Bihar from where all naxal uprising comes. This irrigation system is based on water available from Sone river. Through the good offices of Central Government Madhya Pradesh Government and U.P. Government were allowed to take water from this river. In Madhya Pradesh Bansagar dam was allowed to be constructed and in U.P. Rihand dam and some other dams were constructed thus in the process leaving meagre water from Sone Canal System which irrigates about 1.15 crore hectares of land in five districts of Bihar, namely, Bhòjpur, Rohtas, Aurangabad, Jahanabad and Patna. It was agreed in 1980-81 that if there were non-availability of water as it should have been available Central Government will make available about Rs.1300 crores through World Bank assistance for modernisation of the Sone Canal System during the Seventh Plan. Surveys have been done. Estimates have been sanctioned and this project got priority

in Seventh Plan. We are more than half-way through the Seventh Plan but so far this project has not been taken up. For one century this area was the granary of Bihar. Thirty-five per cent of the total grain production of Bihar comes from this area alone and nothing has been done so far to take up this scheme. therefore, I would like the Central Government to come forward and make the resources available so that the State Government can take up this scheme and implement this scheme during the Seventh Plan.

In the same region which is covered by this Sone Canal system there is Rohtas industries. It is one of the oldest industries in the country. It employed 40,000 persons. That means 40,000 families depended on this and the entire economy of the region depended on this old industry which has been lying closed for the last two years. We have been writing to the Central Government and all kinds of promises have been held out but no help has come so far to revive this sick industry. The whole economy whether agricultural or industrial and which also opened employment avenues is now coming to a grinding halt and already this region is in the grip of worst ever violence. Let us not try to brush all inconvenient things under the carpet. Bihar has been a volatile State and problems there, particularly violence, has tendency to spill over into other States. Therefore, Mr. Finance Minister, I would like you to apply your mind to this aspect. You just cannot ignore a State of Bihar-size. In the same area, Buxar - you must have heard the famous place - has been the seat of our civilisation and culture for thousands of years. River Ganges has gone on rampage. About two dozen villages with a population of 15,000 to 20,000 have already been gobbled by the river and lakhs of people, who depended on agriculture, on fertile land, have now been rendered into paupers and nomads. They are in search of livelihood. But there is no ray of hope for them. In Buxar town, which is seated on an

ancient seat, there is an ancient fort. Half of the foundation of the fort has already been eroded. If the fort gives way, as it is in the process of doing, then the river will flow right across the district where not only land and houses will be destroyed, but all infrastructural facilities, created over a century, will also disappear into the river.

I wanted to speak earlier on other demands. But I chose this opportunity to bring to the notice of the Central Government that the picture in Bihar has been grim. The financial position of the State has been going down. When you take our minerals, even now, despite our demands, despite all pressures, your system of paying royalty to the State is as old as the discovery of those mineral centres. Sir, royalty to the State is even now based on tonnage basis, not on price basis. We want royalty to be linked with the price of the minerals which you take from Bihar. If you do not make resources available to us, a State with about eight crore population and all kinds of socio-political problems, socio-agrarian unrest sweeping across the length and breadth of that State, is bound to explode into an unprecedented violence because of backwardness.

Today, I feel sad to say this what my State, Bihar, which has always shown the path to this nation, brought India into one entity since Buddha and Mauryan and Gupta periods through Sher Shah and Babu Kunwar Singh to Mahatma's struggle for freedom in Champaran, has now become a synonym for squalor, poverty and backwardness. This situation cannot be allowed to continue. Therefore, I urge upon the Central Government to treat this as a national problem. Bihar requires your help. Resources of the State are not enough. Technical base is very narrow there.

In the end, I would mention how things are being done there. In my constituency, in the district of Bhojpur - no-industry area - two

industrial licences were issued. The expenditure would have been to the tune of Rs.500 crores. I do not know who is responsible for this crime. I term it as a crime deliberately. Those licences have been transferred out of Bihar. You say, you will remove regional backwardness. You develop the areas which the backward. About my district of Bhojpur, I have already painted the picture what it is. The letters of intent were issued. The work had started. Who is responsible for this? Who has taken those licences not only from my district but from the State of Bihar?

You do not invest in public sector, although you should have invested the largest amount in the public sector in Bihar. But after the Fourth Plan, whatever you might have done by way of expansion of existing units, you have not invested afresh. No fresh units have been set up in Bihar. The Private sector is shy of going to Bihar. The agricultural front presents a dismal picture. In health, education and transport, our state has got the most callous treatment. Therefore, I once again urge that Bihar's case should not go by default and Mr. Finance Minister, by letting a Bihar go this way, you will be creating a national problem and you may not solve the problems of backwardness, illiteracy if you don't look at the second largest State now passing through utter backwardness. It is de-humanising and it is only destroying poverty which I see in Bihar, the same degree of callousness is seen all round. Therefore, I urge you to be serious we have had enough of lip service. We want resources for the problems that I have mentioned, the flood control measures. By the floods of last year, the whole of north Bihar was wiped out completely. My area was wiped out, the Central Bihar and look at the south Bihar. Separatist groups are raising their heads. Therefore, you have to solve the problems and make Bihar a test case, and instead, you have been talking. Bihar could not remain neglected for long and I say that if you do it, we will be doing it only as national peril.

Therefore, I urge you to come forward and make the resources available to the State and tackle these problems that I have mentioned. Don't drag your feet and list out the statistics, that you have done enough.

With these words, I conclude and I expect you to act.

[*Translation*]

SHRIMATI PRABHAWATI GUPTA (Motihari): Mr. Chairman, Sir, I welcome the Finance Bill moved by the Minister of Finance. In the light of the points raised in the debate on the Budget, the Minister of Finance has announced relief worth Rs.39.3 crores by amending the original Budget proposals. It is a welcome step but I am distressed to find that relief is being provided to the people for whom it is not meant. The Minister of Finance has stated in the last paragraph of Part 'B' of his Budget speech that the main planks of his budget were assistance to the poor, generation of more employment opportunities, incentives for the agriculture and the enhanced growth rate. Although he had stated that his Government would concentrate its attention on the achievement of these goals, yet this relief has been given to the owners of one, two or three star hotels with a view to promoting tourism. It is of course a good step, but small hotels should also be provided with such relief. These Hotels also attract a large number of foreign tourists, and they should also be provided cent per cent relief. The Finance Minister should pay attention towards these hotels.

I would like to point out a few things more. The relief provided in the original proposals has put the trade and industry in high spirits and there is great jubilation in the share markets of Delhi. But it is to be seen whether the programmes like Kuteer Jyoti and 'Jal Dhara' and the poverty alleviation programme, for which a sum of Rs.22 thou-

sands has been allocated, would be able to do any good to the people.

I would like to draw the attention of the Hon. Minister towards the various poverty-alleviation programmes like N.R.E.P., R.L.E.G.P., I.R.D.P. being launched by the government in my area. The District Collector is the sole authority to utilise the funds sanctioned for these programmes. I understand that Engineers, Income Tax Collectors and Customs Collectors indulge in corruption. The Government has given a free hand to the Collectors to spend the funds sanctioned under various poverty-alleviation programmes. Accordingly, the District Collectors at the administrative level can draw the money and spent it. The Government should enquire into this matter and see if any irregularities are being committed there or not. According to their revised procedure, these collectors can draw money and spend it arbitrarily. As per the previous practice, they had to take prior permission for drawing the money. But now that practice has been abandoned. The earlier practice of having a check should be restored, because without effective check, they will go on spending arbitrarily.

The Government has given certain concessions to women in the budget. It has earmarked Rs.435 crores for Rural Development Programmes. The proposal to dig 1,10,000 wells and to energise them under the Jaldhara Programme is worth implementing. Government's programme for setting up cottage industries is also welcome. But the Government should also ensure that the State Electricity boards to spend funds for providing electricity in the jhuggies of labourers and poor people and the funds are utilised properly.

Just now Shri K.K.Tiwari was speaking and I listened to his speech with rapt attention. There is no denying the fact that Bihar is very rich in mineral resources and its land

is very fertile. About 70 per cent of the total quantity of coal in the country is extracted from Bihar. All kinds of minerals and metals like mica, iron-ore and material required for nuclear power are available in Bihar. But what is the present plight of the people of Bihar? I am not talking of the general people and middle class people. I am talking of the poor people in the State. The food they take, the clothes they wear and the houses they live in are of very inferior quality. They are constantly harassed by droughts and floods. The Government should take certain measures to ameliorate their lot. The Government, no doubt, has presented a very commendable Budget. But did the Government ever think of the plight of women in Bihar? The Government did a very good job by giving concessions to women in the articles of their daily use like 'Vermilion' and 'Kajal' and all the women welcome it, yet there are certain women in villages who have only one garment to wear. They wear the same garment all the time. When they go for bathing, they wash that garment and let it dry. They wear that very garment after it is dry. Does the Government have any programme for such poor women? The Government has prepared good economic programmes to remove poverty. As I said earlier, senior officers like the Collectors take certain percentage of amount as bribe. I, therefore, suggest that the various social security schemes like the N.R.E.P., R.L.E.G.P. etc. should be brought under one implementation agency.

Our Hon. Prime Minister announced a programme for the removal of poverty and un-employment at Madras. It is welcome. The Hon. Finance Minister also said some time back that the Budget aims at overcoming the impediments coming on the way of removal of unemployment and generation of employment avenues. I urge upon the Government to ensure that Senior Officers like the Collectors do not take any percentage as bribe and to take suitable measures to all

that the funds reach the poor.

The Government proposes to construct 4-5 thousand houses under the Indira Housing Scheme. Is the Government confident that these houses will be the permanent assets? The Government should look into this aspect which will make the Indira Housing Scheme successful.

Last years floods ruined the economy of North Bihar. The plight of the people there is very pitiable. Whether one is a farmer owning 1500 acres of land or a landless labourer, all are in an equally sad predicament. Nobody has been able to grow paddy. The Government did not take any concrete steps in this direction. There are various projects like the Gandak and Kosi projects. The Gandak project could prove to be a boon, but instead it has proved to be a bane. A lot of money has been spend on this project. This issue was raised in the House on a number of times and talks were also held with the Chief Minister of Bihar. We have been requesting the Government to find a permanent solution to that problem.

The infrastructure if getting ruined and property worth crores of rupees has been destroyed. A surcharge has been levied on the people earning more than Rs.50,000 with a view to providing relief to the people affected by floods. The funds to be raised from this sur-charge will be spend on relief work. I would like to stress that the flood causes more damage than drought. Bihar, particularly North Bihar has been ravaged and the people are in great distress. It is the season of wheat. Wheat has grown by now. The floods are likely to visit that place again after one month at the end of May, but, to our utter dismay, no solution has been found so far to this problem. Government should implement the Flood Protection Scheme and the Gandak flood Control Scheme without delay, otherwise the floods will continue to cause havoc every year and spell miseries

[Smt. Prabhawati Gupta]  
to the people. The World Bank can also be approached for loan for this purpose.

I talked to the Chief Secretary in this regard. He said that an expenditure of Rs. 1.5 billion was involved in it. But this entire amount will not be spend at a time. The work can be started with Rs. 20-25 crores. We can incur expenditure in a phased manner. But his area must be saved from the ravages of floods. I urge the Government to implement the Gandak Drainage Scheme immediately. Just as the Ho river is the problem river of China, similarly the Kosi river is the problem river of Bihar. The Western Kosi Canal has not yet been constructed. Unless these schemes are implemented, the problem of the area will not be solved. Without these schemes, the per capita income of the people will not increase. I, therefore, request the Government to find a permanent solution to prevent the devastation caused by the floods.

All the snow-fed rivers originating from Nepal inundate the entire area by their devastating floods. The State Government is not in a position to remedy the situation as it is lacking in resources. The Government should take up this matter with the Government of Nepal so that a high dam may be constructed there. The hon. Minister of Water Resources is sitting here. Let him hold talks with the Government of Nepal in this regard. The two to three hundred small rivers originating from Nepal take a violent turn and cause havoc during rainy season. It is very necessary to solve this problem. I also request the Government to prepare infrastructure in the area and set up medium scale industries. This will help development of industry along with agriculture in the area. This will also go a long way to remove unemployment in North Bihar.

I would like to make one more point about price rise. The price by 10- to 15 per

cent after every Budget. There has not been much increase in the Budget this year and taxes amounting to Rs. 615 crores only have been levied, I would like to thank the hon. Minister of Finance for this. But the prices are skyrocketing after the Budget. Everybody is perturbed. Even our guards cannot purchase rice, oil and pulses because the prices of all commodities are rising. The Government should assure the people that the prices will not rise further after the presentation of the Budget.

One or two points more. The Government has given a lot of concessions to big people. It is heartening to note that concessions have been given to liberalise import and export with the intention that promotion of import and export will ensure development of industries. If the industries are developed, production will increase and unemployment problem will be solved. Besides I would also like to state that the Government has given many concessions to the 100 per cent self-oriented industries. They have been given full exemption from the payment of duty. The Government has rightly withdrawn the duty levied on the aids for the blinds. I would also like to appeal to the Government to raise the limit on personal income tax to Rs. 25,000 from the present limit of Rs. 18,000/- per annum. With Rs. 2,000 one lives just from hand to mouth. Government should realise the plight of the middle income group. The Government's efforts are concentrated on helping the rich and the poor but it is impervious to the sufferings of the middle income group. To bring Bihar on the industrial map of the country, the Government should lay due emphasis on the five year plans. Under all the schemes, Bihar has been allocated the minimum amount. The Government should not indulge in such step-motherly treatment. The hon. Minister should allocate more funds for the backward states like Bihar, Bengal, Eastern Uttar Pradesh and Orissa. The hon. Minister of Finance has announced



that the Government proposes to take steps aimed at increasing employment opportunities. The hon. Minister should pay attention towards industrialisation and personal income-tax limit. I want to raise many more points but due to paucity of time. I am unable to do so. I also want to state that at no place repair of embankments has been undertaken with a view to controlling floods. Again there will be floods and crores of rupees will be spent on flood relief operations and a lot of money will be pocketed by the engineers. The engineers will say that the soil has been washed away in floods. In my Constituency both the rivers, Sikrana and Gandak cause much devastation. My submission to the Government is to fill the gaps in the embankments as early as possible. One year has passed, but till date embankments have not been filled up. So the Government can very well imagine the extent of the havoc which will be caused in the coming months in Bihar if repair work is not undertaken at an early date. I hope adequate attention will be paid both by the Ministry of Water Resources and the Ministry of Finance to my proposals. With these words, I conclude my speech and welcome the Finance Bill and also the concessions announced therein.

[English]

SHRI G. M. BANATWALLA (Ponnani) : Mr. Chairman, Sir, at the very outset, I must emphasise upon the need for some stability of fiscal laws and measures for a certain reasonable period of time. The instability of these laws and the radical annual changes in fiscal measures and taxation proposals upset all business calculations and are a great hindrance in the progress of the economy. There must therefore be certain relative stability in our fiscal laws for certain reasonable time at least. I may refer to our Import-Export Policy. As you know, it was announced in 1985. But from the date of its announcement right upto January, 1988, it is pointed out, there were nearly 338

changes— minor and major—upsetting several business calculations.

Therefore at the very outset, as I said, I must emphasise upon the need to impart certain stability to our fiscal laws and measures for a reasonable period of time.

Mr. Chairman, Sir, looking at the present realities of the situation, our future development strategy demands

(1) an efficient fiscal management, (2) price stability, (3) timely implementation of projects to avoid escalation of costs, (4) Pragmatic policy for generation of employment; and (5) Increased stress on exports.

Mr. Chairman Sir, the monetary management demands great care today. It is clear that money supply has been rising at the rate of twelve per cent to fourteen per cent a year, while the growth rate of real national product has been about four per cent. Under such a situation monetary policy has to be very pragmatic and has to be administered with due caution.

Excessive monetary growth, at a time when there are strong underlying inflationary trends in our economy, must be avoided. But at the same excessive monetary restraint may also be counter productive. They may lead to recessionary consequences, especially in view of reduction in demand, because of drought-induced fall in rural income. Therefore, there is need to give due importance to both these balancing considerations in our monetary policy.

Sir, we also have to see that the fiscal policy that you have, take into consideration the need for pruning of the excessive growth in Government expenditure. Many speakers have already dealt on this point. Therefore, I will not elaborate it further. There is a greater need for a proper and adequate compliance with our taxation laws. There is



[Sh. G.M. Banatwalla]  
need to see that the on-going projects are completed on time. There is also need to improve the financial performance of our policy sector industries and to foster greater accountability among them. A grater need is also to see that we do not practise self-deception with respect to the economic situation. For example, credit today is taken that the growth rate in our industrial sector as a whole is 10.2 per cent. No doubt that has been a great achievement. But this figure of 10.2 per cent also hides certain realities which demand attention. During the first eight months of 1987-88, the growth rate for power, coal, saleable steel, crude petroleum and cement fell to 66.4 per cent as compared to a growth rate of 7.9 per cent in the corresponding period of 1986-87. Therefore these imbalances need to be properly attended to.

Mr. Chairman Sir, a sad feature of our economy of our economy today is with respect to income distribution. According to available income distribution data, the top twenty per cent of population have 49.4 per cent of the national income to themselves, while the rest eighty per cent have the remaining 50.6 per cent. I may further clarify by saying that of these eighty per cent, the lowest twenty per cent in the population claim only 7 per cent of the national cake and the next twenty per cent claim only 9 per cent. We therefore have the sad and a gloomy picture that forty per cent of our population, which belongs to lower classes, get hardly 16 per cent of the national cake. We have to see that this particular trend in our income distribution is corrected. Then only we can speak of straightening the economy.

I may refer to a few points with respect to the Finance Bill. The minimum taxable income still continues to be Rs. 18,000. This minimum was fixed in 1985. There has been much erosion of the value of rupee. There is

a need to raise this minimum taxable income to at least Rs. 25,000.

India's expenditure on scientific research and development is the lowest in terms of percentage to gross national product. I must, therefore, emphasise upon the need to encourage this particular expenditure. On the contrary, under the Direct Taxes (Amendment) Act, 1987, deduction for capital expenditure on scientific research and development has been abolished. The Government is going to come forward with a Bill later on this particular aspect. I must urge upon the Government to consider the need to review the policy in this particular count. We are talking about entering the 21st century. But then contrary policies are pursued when we find that tax deduction for capital expenditure on scientific research and development has been abolished.

There is also a concept of deemed income. I must say that it is a very unhealthy concept. Of course, I do extend limited welcome to the announcement of the Finance Minister of reducing from 60 per cent to 30 to 35 per cent taxation based on this concept of deemed income. However, this very concept requires a review and needs to be completely given up.

I must refer to the problems being faced in my State viz. Kerala. Here I must take strong exception to the placing of tyres, coconut, rubber, spices like nutmeg, cloves, etc. under OGL. This will destroy the economy of Kerala. Indiscriminate import of all these items by all and sundry is bound to adversely affect the economy of Kerala. The import of tyres will adversely affect the intake of natural rubber within the country. Kerala will be the saddest in this particular respect. I must emphatically urge upon the Government to re-consider the import of all these items under OGL.

There is also a need to see that coconut

is also declared as oilseed. Almost every country in the world has declared a coconut as an oilseed. Kerala produces 70 per cent of total national production of coconut. I must, therefore, urge upon the Government to see that coconut is declared as an oilseed.

There is an export cess on pepper at the rate of Rs. 5 per kg. This export cess should be immediately withdrawn. The export cess has pushed the prices of our pepper in the international market as compared to pepper from Brazil, Indonesia, Malaysia and other countries.

The industrial development of Kerala is also being neglected. The per capita Central Investment in the State is below the percentage which is at the national level. Not only is this percentage of Central investment in Kerala below the national average, but this percentage of Central investment in Kerala is persistently on decline. I emphatically urge upon the Government to take this particular point into consideration and see that proper steps are taken.

The Government of Kerala has also sent some proposals to the Central Government for approval. There is need for modernisation and development of FACT, HMT, Cochin shipyard, etc, and I hope the various proposals sent by the Government of Kerala will be duly cleared by the Central Government.

Kerala is a leading State in the matter of export of sea food. But today the sea food industry is sick. It needs substantial financial aid at subsidised rate for its assistance.

MR. CHAIRMAN : Now, please conclude.

SHRI G. M. BANATWALLA : I will just mention the points and conclude. There is need to include Kerala in the Action Plan for increasing the food production. This is be-

cause Kerala is an important producer of paddy. Nearly twelve lakh tonnes of paddy are produced every year.

Ten States have been selected for digging wells in a massive way providing drinking water and water for irrigation, as a cent per cent Centrally sponsored scheme. Kerala be included there.

Finally, many of the Keralites are working abroad in Gulf countries. There is a recession in Gulf countries and they have to return. There is therefore, a need for rehabilitation schemes and a rehabilitation fund. I hope that these demands of Kerala will be duly considered by the Government. With these words, I thank you.

SHRI SRIBALLAV PANIGRAHI (Deogarh) : Mr. Chairman, Sir, I thank you and the Minister for Parliamentary Affairs for giving me this opportunity to speak on the Finance Bill, 1988.

13.48 hrs.

[SHRI SHARAD DIGHE *in the Chair*]

In this Budget Session, we are now at the close of the financial business, with the Budget already having been passed and the Demands of the select Ministries also having been passed and the rest guillotined. The Finance Bill is there to give effect to the various financial proposals of the Budget for the year 1988-89.

At the outset, I would like to say that we have more than twenty Ministries but I think the working of half of the Ministries numbering about ten, could be discussed here, and naturally their Demands could be scrutinised. But the working of a large number of Ministries could not be discussed. Therefore, I would suggest that some procedure should be evolved, some committee system should be evolved so that the working the

[Sh. Sriballav Panigrahi]  
estimates and the expenditure of all the Ministries could be scrutinised. I know that the time being limited, everything cannot be discussed in the parliament. But this is very important. I think the work of scrutinising the expenditure of different Ministries, which cannot be discussed on the floor of the House, can be assigned to a committee and there it can be done.

Then, Sir, this years budget judged by any standards, is definitely a poor man's budget. It is a farmers budget. It is agricultural-oriented, growth-oriented. I do not know why still there is criticism from the Opposition. Of course, if the Opposition is bent upon criticising for the sake of criticism, nobody can help. But this year's budget has been welcomed in different quarters. Of course, I quite see their disappointments because they always try to arouse a feeling of discontentment among the people without any reason. Last year every-body knows that the country faced a difficult period because of failure of monsoon. We know that this was the worst drought of the century and naturally the common people were expecting that this year's budget will contain a heavy dose of taxation. But the opposition were frustrated because they were waiting for an opportunity to sow the seeds of discontentment among the people which they did not get but now they say that there was no proposal in the Budget to tackle the economic problem of the country.

Sir, some Members from the Opposition side like Shri Jaipal Reddy of Janata Party and others were criticising the Budget. While levelling charges against the Government, he probably forget to look at the performance of the Janata Party regime in 1978-79. At that time there was a lesser degree of drought but there was minus growth of about 4.7 percent. But we have got positive growth last year. The industrial growth rate is about 10 percent. The inflation-rate has not

touched the two digit figure. I may give you the performance of the last year. Export had increased. Import had decreased. Power generation was 7.6% more, coal production was 10.2% more. The Railways performed well last year. We faced a very peculiar situation last year, unfavourable economic situation due to drought and floods even then this is a very good budget with so many concessions given to different sections of population. Relief has been given to farmers. I would like to say that the Government and the Finance Ministry are quite responsive. After the budget presentation, several reactions were expressed and the Finance Minister has come up with different proposals giving relief amounting to Rs.40 corers approximately. So, Sir, the Ministry is responsive to the popular reaction.

Sir, I now come to other problems, In regard to agricultural land, the ceiling is to be speeded up. But while speaking on land reforms, we should not forget about the urban property ceiling. Otherwise, there is going to be an imbalance in the society and our economy. If there is no urban land ceiling and if you only insist on land ceiling in the rural areas that will create some imbalance and discontentment among the farmers.

Sir, in regard to crop insurance scheme, there were demands for exemption on loan, exemption on interest, etc. Why is it so? It is because there is crop insurance scheme that is not working properly? The peasantry, the farmers are suffering on account of floods in some regions and drought in other parts of the country. They do not get proper relief from the crop Insurance scheme. Hence there is an increasing demand for exemption of loan and interest etc. This should be looked into. Sir, remunerative prices for foodgrains should be ensured to the farmers and agricultural producers. This year potato cultivation was there in large-scale in my constituency in Kuchinda sub-division. There was an incentive for this. But

after the harvest nobody comes even to collect the seeds which was promised and there is no cold storage facility. Therefore, cold storage facility should be there and whatever assurances are given by the officers should be fulfilled. Otherwise cultivators and the people in general will lose faith in the bureaucracy.

Sir, Jaladhara, Kutirjyoti and so many welcome measures and there in this year's budget. About Jaladhara I would urge upon the Government that there should not be any discrimination between the SC/ST and other poor cultivators so far as the benefits of this scheme are concerned. The benefits should go to all the poor cultivators. After all we have a programme of having 175 million tonnes of foodgrains production by the turn of this Seventh Plan. So, there should not be any discrimination. As regards implementation, I would say that all over our schemes are not being properly implemented by the State Governments on the ground. Wherever there are lapses, wherever there is corruption, the Central Government should closely monitor and withhold payment to such erring States. The money which is being released should be stopped. This will do a long way to correct the situation.

Now I will come to prohibition. Unless there is prohibition, this liquor consumption is going on very menacingly and that is also reflected in the implementation of our economic programme, particularly the anti-poverty schemes. Therefore, the Government should try to minimise this menace by having restrictions on this fantastic consumption of liquors.

We have a big deficit of about Rs.8000 crores. It calls for very strict economic measures to be observed. Now can we observe strict economy unless the officers are conscious of it and make sincere efforts to stop wasteful expenditure? The naked misuse of Government vehicles and Government

properties must be put an end to. The officers should be pulled up for this.

Coming to the working of the public undertakings, wherein we have a very high stake in our economy, a new work culture, a new work ethics with worker's participation and manager's accountability has to be evolved.

Now, I come to Orissa which is a poverty-ridden State amidst plentiful of natural resources. Orissa is a State which finds a very low place in the list of the per capita income States. The regional imbalance which should be reduced is unfortunately being increased. Orissa, Madhya Pradesh, Bihar and U.P. are the States which have not improved for the last several years in respect of per capita income. These four States will have to be treated as special category States. Unless the composition of the population, i.e., SC/ST percentage is taken into consideration and more grants are given instead of loans and their arrear loans are exempted with grants given in place of plan advance to meet the natural calamities, such poor States can never come at par with other States. In this background I welcome the Prime Minister's idea of district planning. District Planning with district budgeting will be very much helpful in fighting out backwardness of different backward areas.

The work of the two proposed power projects, the Thermal Power Station and Talcher Super Thermal Power Station should start immediately and the hindrances of Parade port be removed and its developmental programme be entrusted to the Handui Corporation. There are irrigation projects like Rengali, Upper Kolab and Upper Indravati where impounded water is lying idle without necessary canal system being built. Funds may be released to the State outside the Gadgil formula to construct the canal system and avoid this national wastage.

[Sh. Sriballav Panigrahi]  
(Interruptions)

In the end I welcome the Finance Bill and this year's budget really has aroused a new hope among the peasantry, among the poor people, but at the same time it throws a big challenge to the Government, specially the Finance Ministry, to fill up the gap of more than Rs.8000 crores by resorting to strict economy.

MR. CHAIRMAN : Please conclude.

SHRI SRIBALLAV PANIGRAHI: In the field of railway also, Orissa is much behind and the work of Sambalpur-Talcher rail line and Sambalpur Division should be speeded up.

With these words, I thank you for the opportunity given.

[Translation]

SHRI DHARAM PAL SINGH MALIK (Sonepat): Mr. Chairman, Sir, I rise to support the Finance Bill 1988-89, presented in the House. All the Members of this August House are agreed that the Indian economy is based on agriculture and 75 to 80 per cent of the Hon. Members come from this sector. Many things are announced for the welfare of the farmers but in practice very little is done for them. For this Budget I want to congratulate the Hon. Prime Minister under whose leadership for the first time since independence steps have been taken for helping the farmers in real sense of the term. At the time of the elections every party tries to grab more and more votes of the farmers and exploits them. In every state all the political parties try to cash on the innocence of the farmers.

I would like to make some suggestions for the betterment of the farmers and want to tell you what they need most these days. My

first suggestion to the Government is to declare agriculture an industry. This will help the farmers secure credit on low rates of interest. If this is done then in my opinion most of the problems of the farmers will be automatically solved. To the farmers subsidy and other petty reliefs are being given. Therefore I want to emphasise with all the force at my command the need for declaring agriculture an industry. Besides, I would like to state the several provisions have been made for the benefit of farmers by way of subsidy and loans etc. but these benefits do not actually reach them. To obviate this difficulty, my second suggestion to the Government is to fix credit limit for the farmers on the lines of the credit limit fixed for the businessmen and industrialists so that they may also borrow any sum within that credit limit during the year without any objection being taken by the bank officials. Not only this, I suggest that an annual credit limit should be fixed for all the citizens of the country and the families, on the basis of their creditworthiness and the copy thereof supplies to them, on the lines of the suggestion made in case of the farmers; if the credit limit for a family is fixed at Rs.5,000 or Rs.10,000 or Rs.15,000 then up to that limit that family should be allowed to borrow any sum within that limit at any time, and deposit the same at its convenience. If this is done then the corruption in sanctioning the loans will automatically come to an end. I want to emphasise that actually the benefits of the announcements made by the government do not reach the farmers. To my mind, the day-to-day problems of the farmers can be solved by fixing the credit limits for them. Otherwise what happens is that a farmer for drawing Rs.5,000, has to complete many formalities, fill up many forms and has to approach patwaris and other officials for processing his loan application and in the process he has to incur a lot of expenditure, with the result that his loan amount gets depleted and is not spend for the purpose for which it is taken. Therefore, I request the

Government to straightway fix the annual credit limits without going into the merits of the purposes for which the loan has been applied.

In this context, I would like to state one thing more. For the farmers we often talk about establishing Land Mortgage Banks, to enable them to borrow money for buying tractors, pumpsets ect. But, in reality what happens is that whenever the farmers are in need of money for household purposes, they borrow money on the pretext of buying pumpsets and utilise the amount borrowed to meet their household needs. In such circumstances the farmers approach the officials of the banks to get a report from them to the effect that pumpsets have been purchased. The Bank Officials oblige the farmers obviously for some consideration. Therefore, I request the Government to trust the farmers, as it trusts the industrialists who are free to utilise the loan amount within the credit limit fixed for them. No restrictions should be imposed on the farmers. Besides, a farmer is required to buy pumpset from a particular shop. This further aggravates his difficulties. So the farmers borrowing money for purchasing pumpsets should be allowed to purchase them from any shop of their choice. A provision to this effect should be made for the farmers.

I have a submission to make about insurance scheme. While replying to the debate on the demands for grants of the Ministry of Agriculture, Shri Bhajan Lal stated that the Government proposes to make revenue village as a unit. But what happens a now a days is that the standing crops of many farmers are burnt down by mischievous persons by throwing burning matchsticks. If revenue village is made unit, then it will help them to a certain extent. There is a provision for some compensation if 75 per cent of the crop is damaged in a revenue village. But there is remote possibility of getting such a compensation because

75 per cent of the crop is rarely destroyed by fire. Therefore my suggestion to the Government is to pay compensation to the individual farmer whose standing or stored crop catches fire. Such provision needs to be made.

So far as the question of employment is concerned, the Hon.Prime Minister also touched upon this issue at the Madras session and also announced the intention of the Government to implement the one-family-one-job Scheme. I think the intention of the Government is really good and if the scheme is implemented then we will be able to bring back the disgruntled youths into our mainstream. In this connection, I suggest the Government to conduct a survey to identify the families whose even one person is not employed, because generation of jobs is not an easy task. The families whose even one person is not in employment, should be paid unemployment allowance. Suppose in a family of four, not even one person is in employment, then to one person unemployment allowance should be paid, but if in a family one person is employed then the unemployment allowance need not be paid to anybody in the family. If this scheme is implemented in this manner, then many people can be benefited under the scheme.

[*Translation*]

Along with this, I want to make one more submission about my State Haryana and the S.Y.L.Canal. There is a great controversy about the Satluj-Yamuna canal. A question regarding S.Y.L.Canal was also raised in the Question Hour today. I submit that an Indo-Pak Water Treaty Agreement was signed in 1955 regarding the S.Y.L.Canal. But, even after the lapse of such a long period, we did not get water from the canal. However, the Government of India have fixed the amount and paid it to Pakistan. The work in this canal is being got done by the Central Government. As stated in the Zero Hour, if water

[Sh. Dharam Pal Singh Malik]  
 becomes available from this canal, the water problem of not only Haryana but also of Delhi would be solved. The water problem of Delhi, Haryana, Rajasthan and Punjab is directly connected with the S.Y.L. Canal. Therefore, the project of S.Y.L. Canal should be completed on priority basis so that the water problem of these States may be solved. When the water of S.Y.L. Canal reaches Haryana, we should be able to irrigate more than 3 lakh hectares of agriculture land in Haryana and the income of every resident of Haryana would go up by one and a half times i.e. if a person is earning 100 rupees at present, he will be able to earn 150 rupees as and when water reaches Haryana. Therefore, the project should be completed on top priority.

Before I conclude my speech I give my last suggestion. We often talk about the regional imbalance, but besides regional imbalance, there is district imbalance also. Generally, in every state developmental works are undertaken in a very effective manner in the district to which the Minister or the Chief Minister belongs. It is highly improper because the Minister or the Chief Minister represents the whole House. A very huge amount of aid is granted by the Central Government to the State Governments. This aid should be granted district-wise. At least the aid granted by the Central Government for setting up industries should be given district-wise so that every district is developed and the unemployment problem of each district is solved.

With these words, I thank you for giving me an opportunity to express myself.

[English]

SHRI AMAR ROYPRADHAN (Cooch Behar): Mr. Chairman, Sir, I cannot lend my support to this Finance Bill.

THE MINISTER OF STATE IN THE

DEPARTMENT OF REVENUE IN THE  
 MINISTRY OF FINANCE (SHRI A.K.  
 PANJA): Why?

SHRI AMAR ROYPRADHAN: I will come to that point. If you go through the Finance Bill, it will be crystal clear that this Finance Bill is nothing but the reflection of the financial bankruptcy of the country. The Government's fiscal policy brings instability. The economy is in instability. Our economy is moving in a cycles order, first there will be a deficit budget and then in-between the two budgets, there will be some mini-budgets, more taxation and ultimately a revised budget with more deficit. Just to make up this deficit, what do you do? You are imposing new taxes; you resort to borrowing and then by printing notes or minting coins. Therefore, this is the whole state of the economy of the country under the Congress(I) Government.

Moreover, at the end of this year Budget—1988-89—the Government will have to pay-off liabilities of Rs.2,24,180 crores with assets worth only Rs.1,84,100 crores—that means the Government's borrowing will exceed Rs.40,000 crores. How can this Government make up this liability to the extent of Rs.40,000 crores? May I ask the Hon. Minister as to how he is going to make up? The present condition, as a consequence of this, is that the country is lying beyond its means. For this, the Government will have to borrow about Rs.20 crores per day and will have to print Notes about Rs.29 crores per day.

The P.F. account-holder, the small savings certificate holder and other small depositors will get back 82 Paise against one rupee. The cost of living index rose to 78 points from 1970 to 1978, but from 1978 to 1987, in ten years, it rose to 431 points. There is inflation. The rupee value is going down. Prices are shooting up. This is the tragedy of the economy of our country at present.



Corruption is rampant. After the Bofors deal, the Submarine deal, HBJ pipeline and Fairfax issue, the corruption is going to be the symbol of India's economic culture. So, the days are not far off when, if this Congress Government is there, if this capitalistic economy prevails, insolvency will be declared. I know at that time there will be some persons - their numbers are very, very microscopic compare to India's population, say, 0.000001 - who may fly to Italy, Switzerland, France, U.K. and USA. But what about the other people, 80 crores of people, who are living in a very distressed condition? Where will they go?

In your Budget you had given some concessions to Kajal, toy, lollipop and things like that. Now, one thing I want to ask. This is about Kajal. Mr. Minister, do you know what is the condition of our country? One-third of the world's blinds are in India. Who is responsible for it? Where will they use this kajal - in the eyes or in the legs?

You are thinking of toys and lollipop. You forget that in Kalahandi - where is my Orissa friend? He is not here now - in Kalahandi district how a mother sold her dear daughter only for Rs.15...

SHRI A.K.PANJA: That has been denied.

SHRI AMAR ROYPRADHAN: That may be denied. But it has been there in the news. You cannot deny just like that. The Prime Minister, when he visited that place, admitted that fact. Now, who will use this toy? I think, a toy is not more costly than her daughter. There should be some limit to make curlew joke with the poverty-stricken people.

The growth pattern of taxation in India over the six Five Year Plans reveals a distinct trend of increasing reliance on indirect taxes as the primary source of revenue.

When the prominent economists of our country - Mr. Minister knows it very well - like Dr. Bhabatosh Dutta, Prof. Gangadhar Gadgil, Dr. Thimaiya, Director of Social and Economic Change, Bangalore, Dr. I.Z.Bhatty, Director-General, National Council of Applied Economics, Dr. Y.P.Trivedi, Prof. R.Radha Krishna, Director, Centre for Economic and Social Studies and Prof. Nirmal Chandra, Indian Institute of Management, Calcutta are in favour of direct taxes, what are you doing?

Very recently, PTI, Corporate Service have made a survey which reveals that the gross collection of central taxes has grown 91 times ever since the beginning of the planning in 1950-51. The direct taxes are growing only by 37 times while the indirect taxes have gone up by 132 times. As a result, direct tax, which formed 43.3 per cent of all Central Taxes in 1950-51 accounted for only 17.6 per cent in 1987-88. The share of Indirect Taxes, meanwhile had gone up from 56.7 per cent to 82.4 per cent in 1987-88.

Regarding the parity in price, there is much difference in the agricultural price and the industrial products. The producers of raw jute, cotton, sugarcane, tobacco are not getting the remunerative price for their products. Regarding the raw jute, the Hon. Minister knows it very well. A few days back, the Hon. Agriculture Minister announced the minimum raw jute price. But he said that JCI would not be forced to purchase that raw jute if the price level goes down. I do not know why you have taken such a decision. He had announced the minimum raw jute price as Rs.252 per quintal which is very low. With the result, raw jute producers will not get proper price for their produce. The raw jute is produced in West Bengal, Assam, Tripura, Bihar and parts of Andhra... (*Interruptions*)

[*Interruptions*]

SHRI A.K.PANJA: Why do the people



impose tax on sale of raw-jute?

**SHRI AMAR ROYPRADHAN:** That is why, agricultural economy has come down. The eminent economist Prof. V.M.Dandekar has said that at 1970-71 constant prices, the per Capita NDP in the Agriculture sector moved from Rs.405.66 in 1951-53 to Rs.415.61 in 1976-83. But at the same period, the NDP in the non-agriculture sector moved from Rs.593.13 to Rs.1,216. Why is the difference between the agriculture sector and the non-agriculture sector? It is your economy.

Regarding the condition of rural poor, there is a great difference between the urban poor and rural poor because the rural poor is mainly dependent on agriculture. What is the position? According to Prof. Montek Alluwalla's view the real income can be decided by the Physical Quality of Life Index (PQLI). Measuring the conditions of Indian poor, DR. M.D.Morm and Prof. P.M.C.Alpin concluded that the urban PQLI is 61 as compared to the rural PQLI which is only 35. Who has done it? It is your economy. That has been the condition of the rural poor.

**MR. CHAIRMAN:** Please cooperate and wind up.

**SHRI SOMNATH CHATTERJEE (Bolpur):** Don't use such words. Otherwise, he will ask for winding up charges.

**SHRI AMAR ROYPRADHAN:** Regarding the regional imbalance, almost all the Members have spoken about it.

I would like to mention that even at the end of the 7th Five Year Plan more than one hundred districts are known as 'no industry districts'. Where are these districts situated? If you go through the records, you will find that these districts are mainly in North Bihar, North Bengal, Assam, Sikkim, Arunachal, Meghalaya, Tripura, Nagaland, Manipur

and Mizoram. What have you done for this? If we ask questions about this in some other way you will say that 'entrepreneur is going there, what can we do'. You are opening so many industries in a year. Don't think that Amethi is the only centre for opening industries. You may put some industries in this region from your end. Let some public undertakings be there. You may say that 'it is a losing concern, what can we do'. Yes, if they lose, let them lose. But for the sake of national integration it should be done... ( *Inter-ruption* ) Yes, I would support Mr. Somnath Chatterjee. What are you doing for a long time? Always you are talking that you are doing that; there will be no freight equalisation. Bihar and West Bengal are losing in this respect. Because coal and steel price throughout India is the same; but what about cotton, sugar, oil and other things? There is no equalization. Ultimately Bihar and West Bengal are losing. Why are you not taking up this matter in the meeting of the National Development Council?

Anyway, I cannot support this Bill.

**SHRI BIPIN PAL DAS (Tezpur):** Mr Chairman Sir, the fiscal policy in my opinion has three basic objectives - resource mobilisation; incentives to growth; and removal of economic disparities and imbalance in the society as well as between the regions. I shall be dealing mainly with the question of regional disparity and imbalance.

Fiscal policy can be in my opinion a very powerful instrument to bring about social and regional balance; to remove and narrow down disparity and imbalance. I am concentrating on the problem of regional imbalance because it is the source of various social tension and political restlessness and disturbance. States like Assam, Bihar, Orissa, Madhya Pradesh are all backward inspite of their rich natural resources. Why is it so?

There must be something wrong somewhere in our policies, in our planning process and planning strategy.

Every Finance Commission goes into this question and yet the problem remains. The present Finance Commission is talking of normative approach. I really don't know what this means. What is this normative approach, I want to be clarified.

The federal transfer system should contain proper incentives for better mobilisation of resources and economy in expenditure. In my view it is also necessary to take overall view of the revenue expenditure without making a distinction between plan and non-plan spending.

There is a need to evolve a system of federal transfer so that vertical and horizontal imbalances are removed by providing adequate inbuilt incentives. Wasteful expenditure and inefficient spending must be curbed with an iron hand. Any service rendered must be cost effective. Equalization money needs to be earmarked to assist deficient States to reach national average in social services. There is, therefore, need for close and constant harmony and coordination between the Planning Commission and the Finance Commission. Both Planning Commission and the Finance Commission should consider the need of laying down separate and even exclusive set of norms for special category States. Targets of revenue and expenditure should be fixed in an equitable and realistic manner. No populist programme should be allowed to affect the overall economy. The exclusive pool should be further expanded by covering corporation tax, sur-charge on income-tax and so on. Now let us take the case of my State Assam as an example of backward State which inspite of State being rich in natural resources has remained backward. How little has come to the State in comparison to how much has gone out of Assam in terms of

resources and foreign exchanges? It is a tragic story. I do not want to go into the details. Per capita income of Assam in 1950-51 was Rs. 50 more than the national average and now it is lower than the national average by Rs.212 in 1984-85. The situation can be improved only by adequate Plan Outlay and special treatment by the Finance Commission. Out of Central assistance to Assam 70 per cent is loan and 30 per cent is grant. So the debt burden on Assam is increasing every year. I want that this ratio should be reversed, namely, 30 per cent should be loan and 70 per cent should be grant.

A Central ministerial committee was formed for the development of north-eastern region. I do not know what this Committee is doing. I have not seen any outcome from this committee's deliberations. Assam is a major oil producing State. Half of Assam is said to be floating on oil but what royalty is paid to us. The Standard rate of 20 per cent of the marked value of the crude should be paid as royalty. This has been our demand. This is a scientific demand. This has not been done uptill now. I request the hon.Minister to look into it again and raise the royalty paid to Assam on crude oil.

Assam does not get even the legitimate income from tea both as an agricultural item and also as an industrial item. The overall income distribution from tea between Centre and Assam should be revised in the light of the Supreme Court judgement. This is very important. Assam tea deserves tax relief under indirect taxes and it deserves incentives to the tea industry under direct taxes. We produce 56 per cent of Indian tea and we have been demanding that the headquarters of the Tea Board should be in Assam. This has not been done. Only a token office has been started in Guwahati. If the Tea Board headquarter is located in Assam tea industry will flourish much faster. The functioning of Tea Board will also improve. There is some

[Sh. Bipin Pal Das]

comment made by the PAC regarding functioning of the Tea Board. That has to be looked into and remedial measures taken.

The Polyester Staple Fibre Plant of Bongaigaon Refinery and Petro-chemicals Complex has commenced production from April 2 last. Its annual production capacity is 30,000 MT. It is the second largest in India and first in public sector. It will have the capacity to feed 20 spinning mills of about 25,000 spindles each. The Polyester Staple Fibre Plant has wide-ranging product pattern, high tenacity, medium tenacity, normal tenacity and so on, for blending with cotton and viscose and also wool-type fibre. My appeal to the Government is that this entire down-stream product of BRPL should be utilised as raw material by installing the 20 spinning mills in 20 districts of Assam, each of 25,000 spindles. This is a legitimate demand. We are producing this. It is being produced in our State and the product must go to the benefit for the development of our State in each district. You know all the districts of Assam have been declared as 'no industry districts'. Therefore, these 20 spinning mills, that are possible for establishment out of the by-product of BRPL, should be located in 20 different districts of Assam. That will go a long way in developing the State and in removing the economic imbalance.

The first priority for the development of backward regions must go to infrastructures. It is most important. Without infrastructure, no development can take place. That is exactly where Assam is lagging behind. The two most important infrastructures are communications and power.

Sir, the Jogighopa rail-cum-road bridge, whose foundation was laid by Indiraji long ago, has not yet made any progress. Its construction should be expedited.

There is a great need for a bridge over Brahmaputra at Bogibeel near Dibrugarh not only for Assam but also for Arunachal Pradesh. Survey work was started, but I do not know why it has been stopped now. What has happened to the project? What has happened to the idea? I was given to understand that survey work was started. But now I do not know why they are trying to go back. This is very discouraging and this is how our people become frustrated.

It was all settled that there would be broad-gauge lines between Pancharatna and Guwahati, between Guwahati and Dibrugarh via Nowgong, Jorhat and Sibsagar. That also appears to have run into rough weather. I do not know why. When there will be a bridge at Pancharatna, of which the foundation was laid by Indiraji, naturally broad-gauge line must be there on South Bank to connect Pancharatna with Guwahati, because the line on the north bank is already there. Our demand is for a broad-gauge line from Guwahati to Dibrugarh via Nowgong, Jorhat and Sibsagar. That was agreed to at one point of time. I do not know what has happened to this.

I would also suggest that there should be broad-gauge line between Guwahati and Silchar and between Guwahati and North Lakhimpur via Tezpur.

Sir, I demand that all these projects should be included in the English Plan if that region is to be further developed.

165 km. of new metre-gauge railway lines were proposed and planned to connect Assam with Tripura, Arunachal, Manipur, Nagaland and Mizoram to be completed within the Seventh Plan period. But the progress is very very slow. It is another programme to improve the infrastructural facilities of the region as a whole but that has not been seriously attended to.

Assam is rich in hydel potential. Some experts say that if the entire water resources available within the State are properly utilised, Assam alone can produce 25,000 MW. Added to that, the abundance of natural gas also can make great contribution towards generation of power. But today's position is Assam State Electricity Board's installed capacity is only 484.4 MW and its actual generation is 220 MW. The balance is imported from Manipur and Meghalaya which is also not stable. This is a sad state of affairs so far as power is concerned in spite of there being tremendous possibility of potential to develop enough power not only for Assam but for the entire region.

About gas, it has become a 'scandal'. Please note that I am deliberately using the word. Millions of cubic feet of natural gas are burning every day and going waste for the last 25 years in Assam oil fields. There is no comprehensive plan or proposal as yet to make industrial use of it to produce power or over projects in Assam, petrochemical and other gas-based industries and projects. The Assam Gas Company Ltd. was established in 1962. This Gas Company is not being given adequate opportunities or help by others like ONGC and Oil India to make contribution towards development of Assam by supplying gas to consumers, in establishing gas-based projects and other things. The Assam gas company which has been doing very good work since 1962 is being given a step-motherly treatment. This is another matter which is very sad.

Further more, the Gas Authority of India Ltd. laid down such conditions for supplying gas to Assam Gas Co. from trunk pipelines as would amount to a perfect of 162 lakhs to Gas Authority of India but only 40 lakhs to the Assam Gas Company. This explains how the regional imbalance is widening further and further.

The most serious problem in Assam is

the Brahmaputra river. Everybody knows about it. Every year, the devastating floods and extensive erosion are not only causing suffering to the people but damaging the economy of Assam. The Central Government was kind enough to institute the Brahmaputra Board. I am told that the Brahmaputra Board has drawn a Master Plan. We do not know what the plan is uptill now. We have not been shown. Once I asked Mr. Shankaranand, when he was a Minister, that let us have a look at the plan to have some ideas as to how the Brahmaputra is going to be controlled. But it has not been shown. All right. Let it not be shown, but the Master Plan of this Board has not yet been implemented. Implementation has not started. Unless this basic problem of Assam is solved, unless the Brahmaputra is controlled the floods controlled and erosion checked, Assam's economy will never be able to grow. Therefore, this fundamental task before the Government is under the Central Government because the Brahmaputra Board is under their control. What about the plan they have drawn up? They should take steps to implement this plan expeditiously. I know that the whole plan cannot be implemented within two or five years. It will take 20 years or 25 years. It does not matter.

But let them start it; let there be a beginning of it; let them do something about it. At least, the first step should be to stop erosion at the vulnerable points. That is the most important point. Otherwise, more and more land will go, will be eroded by the river. So, let them start it by doing something to stop erosion at the vulnerable points and then by controlling the tributaries by retention dams.

The government themselves proposed that there would be two dams on Subisiri and Dihang. So far they have not implemented it. Why? If these two dams are constructed, 20,000 MW of electricity could be produced and about 50 per cent to 60 per cent floods will be controlled-floods by the

Brahmaputra River. So, these two dams are very important and vital and they should be constructed as early as possible.

SHRI S. G. GHOLAP (Thane): I must thank you and also the Minister of Parliamentary Affairs who has given me an opportunity to speak. I wholeheartedly support the Finance bill by which we are authorizing the Central Government to withdraw from the Consolidated Fund of India Rs.2,25,658.65 crores for the year 1988-89.

In the Finance Bill and in the Budget, both the Ministers have taken great pains to find out the new schemes. They are not original schemes. After their long experience, they have brought these new schemes and for that I must thank them. India has made a good progress for nearly 40-43 years. But even then we are not only poor but our country is very poor. That is a record. Anyhow, we are trying our best to improve our economy. Therefore, to remove poverty, under 20-point programme, were are doing something. In 2000 the below poverty line will come upto 5 per cent. Even after that, we will have to try our best. A survey on the below the poverty line was made in a particular year. Now we are finishing that line. What about the new lines which are coming up? If an head of a family expires, poverty comes to that family. Drought is there and the poverty is also there. A survey on the below the poverty line will have to be done at least within five years or 10 years so that we can find out who are below the poverty line.

In India the average income per head is near about Rs.2,500. In other countries which are developed, there it is more than Rs. 40,000 to Rs. 80,000. So, there is a vast difference between our income and their income.

It is said that special concessions have been given because the agitation of the

agriculturists is going on in Maharashtra, in UP or in Haryana. I think it is not because of that; it is because of the mid-term appraisal. It shows that we are lacking in agricultural income and therefore we must take some steps to improve it. Therefore, these special concessions have been given for agricultural purposes. We should wholeheartedly support that agriculture should be made an industry. We are trying our best to help them. The agricultural income we have to produce.

Similarly, we are lacking in irrigation. I think Mahafashtra is the last State in irrigation; only 12 per cent irrigation is there. Due to Forest Conservation Act of 1980, no dam can be constructed. Even an inch of land is not given for irrigation purposes. There are thousands of projects which are pending for want of land. There are several projects which are already started before the Act of 1980 came into force; even they are held up. No land is given. Alternative land is given for forest land. Even then the projects are not cleared. Though it is not a subject of the Finance Department, the finance is affected. The economy of the area depends on irrigation. Especially the sites of irrigation cannot be created. They are natural. They will be there only, where they are. So, I request the hon. Finance Minister to review this and see that for irrigation purposes, forest land is made available and the necessary Act may be amended so that irrigation projects can be constructed. If water is there, forest can be there.

As regards the rate of interest for agriculturists, the State of Maharashtra has requested the Reserve Bank and also the Central Government that the rate of interests on loans given to agriculturists should be reduced. We cannot give them more crop but at least we can give them some facilities to get a loan at low interest rate. In our manifesto it is said that in Maharashtra agricultural loans will be given to agriculturists at the rate of interest of about six per

cent. Up till now we have not got the approval of the Central Government, on the contrary Government has rejected our demand. They say that the agriculturists should also be charged at the usual rate. I request that this may be looked into.

Again, for drought purposes guidelines are given that if there is drought continuously for three years, the interest charged should not be more than the principal, and that is the accepted theory. But in practice the interest is recovered from time to time. The interest is recovered first and the principal at the last. This will result in double the interest being collected, and the interest will be more than the principal. But the interest should not be more than the principal. So, the total interest paid should not be more than the Principal and that should be the guideline.

We have set up several rural banks to help the poor people, especially agriculturists. I will give you one example. In Maharashtra, in my constituency Thane, one rural bank is established. It was established in 1986. I had asked a question, "whether the Thane Gramin Bank has not been able to start even a single branch out of twenty-six branches sanctioned by the Reserve Bank of India for want of staff". The reply given was, "It has been reported by the Bank of Maharashtra the sponsoring bank of Thane Gramin Bank, established on 30-8-86, could not open more than one branch for want of staff although it had received licences for opening 26 branches. In pursuance of the guidelines issued by the Government, the Banking Service Recruitment Board, Western Group, Bombay has released advertisement..". And so now in 1988 they will start the work. If even after two years after opening of the bank no branch is functioning because staff was not given or no recruitment was done, we can imagine the conditions. Therefore, I say that in rural areas rural banks

should be opened and staff should be given immediately.

The value of the rupee has come to Rs.0.14 paise. We must see why it is so. The value of the pound has increased. Our rupee value is decreasing because of black marketing, and black money. So far as black money is concerned, steps should be taken to control the black money.

SHRISOMNATH CHATTERJEE: Even after all this he will support the Finance Bill.

SHRI S.G.GHOLAP: In my constituency, the Bombay clearing facility is available up to Kalyan. Kalyan is Municipal Corporation area. But some part of Kalyan Corporation is not included in the Bombay clearing agency. I request that the same facility should be available there also. I had earlier requested and a reply was given that it would be made available.

As regards the Urban and Ceiling Act, it should be amended because up till now we got only .1 per cent land only what was expected, out of the urban land. I request that the Act should be amended and the facility should be given to us.

SHRI C.SAMBU (Bapatla): Sir, eighty per cent of the population of our country are living in the rural areas and depending upon agriculture. You have not provided sufficient funds to agriculture. It is very unfortunate.

In Prakasam and Guntur Districts in Andhra Pradesh, the farmers were hit by white fly and some other causes.

[Translation]

\*Sir, the cotton growers in Parkasam and Guntur district were badly affected on account of the loss of the crop for the past

[Sh. C. Sambu]

four years. They lost everything. Nearly one lakh and twenty-five thousand hectares of cotton crop was affected. The loss of crop was total. The Cotton growers have lost everything. They now have nothing to eat and no shelter to take refuge. They have become so poor that they have resorted to mortgaging the Mangala sutras of their wives. Since they have nothing to eat and no employment to earn a few bucks to survive, they are migrating to other parts of their survival. I am utilising this opportunity while discussing the Finance Bill, to request the Hon. Finance Minister to come to the rescue of the cotton growers. I request him to extend all the help that is necessary to the affected farmers. I hope the Hon. Minister would come out with the proposals in his reply to help these most unfortunate cotton growers. Sir, the Andhra Pradesh Govt. has done all it could do to help the farmers. Now it is the turn of the Centre to help them. The State Govt. has helped them by supplying cows and buffaloes. It has extended the scheme of Rs.2/- a kg. of rice to the affected areas has extended new loans to the farmers. the State Govt. has extended all possible help to the people in the affected areas, which was well beyond its means. Nearly 40 to 50 families were affected by the suicides of the farmers. We say that the farmer is the backbone of the country. Yet the same farmer, unable to withstand the prevailing adverse conditions in the country should feel sorry for the plight of the farmers. Suicides have taken place in forty to fifty families and all these families have become orphan. It is not sufficient to say that the farmer is the backbone of India. The Govt. should come to his help when he needs it. Shri Daggupati Venkateshwara Rao, an Hon. Minister in the State Govt. and who hails from Prakasham district has donated Rs.2000 per head per family, affected by suicides. Not only that. The State Govt. has also sanctioned Rs. three thousand to every family that was affected by suicides. But it is most unfortu-

nate to note that the Central Govt. has not sanctioned even a single paise so the affected families. Even now, at this late stage, I earnestly appeal to the Union Govt. to come forward to help the affected families of the cotton growers. Sir, leave alone extending financial help to the affected families the Central Govt. did not had the country to send any of its dignitaries to give solace the people. I appeal to the Govt. to initiate measures to help the affected farmers in these areas. The cotton growers in Addanki, Pachur and Matru assembly segment have lost everything in the recent years. They need immediate financial assistance. Otherwise it is very difficult for them to survive. It is in these areas that these suicides have taken place. Govt. should jump into action to rescue the families of these farmers if it is really interested in the welfare of the farming community.

Sir, I make a few suggestions and hope they would receive a positive response from the Govt.

A subsidy of atleast one thousand rupees per acre should be announced for the benefit of the Farmers in this district.

The gold that was mortgaged in the banks for getting loans should be returned to the farmers forthwith.

All the loans of the cotton growers should be written off.

Sir, recently N.D.Tiwari, our Hon. Finance Minister has deputed Shri Ojha, the Deputy Governor of Reserve Bank of India to these areas to study the situation and submit the report. He has turned the area and submitted his report. I do not know what action was taken by the Govt. on this Report. I request the Hon. Minister to deal with this point while replying to the debate. Also the loans taken by the cotton growers should be written off and the gold that was mortgaged in



the banks should be returned to the farmers.

New loans should be extended to them.

New loans on the mortgaged gold should be given to the farmers. White fly is affecting the cotton crops. So far no remedy was found to effectively control the white fly. Extensive research work should be taken up to find out the ways to control this pest. We should not hesitate to seek technical knowhow from foreign countries for controlling and eradicating the white fly.

If these steps are not taken to rescue the farmers they will lose everything including their lives in the days to come.

Sir, I request the Hon. Minister to extend the Crop Insurance Scheme to Cotton and Tobacco. Also I request that the district or the mandal should not be considered as the basis. Instead, the village or survey number should be treated as the base. Excluding the Cotton and Tobacco growers is not proper and hence they should also be included in the Crop Insurance Scheme and they should be extended liberal assistance from the financial institutions in the country.

A stitch in time saves nine. If the farmers are not rescued today, it is very difficult for any one to save them from the brink of collapse. The responsibility lies on the shoulders of the Central Govt. and it should not shirk away from its responsibility. The State Govt. has done its duty by extending all the help it could do. Now it is the turn of the Central Govt. The Centre should see that the affected farmers get all the help that they need. The Govt. should extend fresh loans. New loans should be given on the gold already mortgaged. A subsidy of at least Rs.1000/- per Acre should be given to them. Pension should be given to the families where suicides have taken place. Govt. should see that at least Rs.5000/- is paid from the Prime Minister's Relief fund to the affected fami-

lies. I request the Finance Minister to deal with the plight of cotton growers in his reply.

Sir, Buckingham Canal between Kakinada and Ongole is an important Canal. Survey was conducted to extend the Canal upto Madras at an estimated cost of Rs.24 crores. This extension of the Canal should be sanctioned immediately. By developing this internal waterway, the congestion on the National High Way can be reduced to a great extent. Goods can be transported from Kakinada to Madras at a cheaper cost. It will also boost the export trade. I hope the Hon. Minister would sanction Rs. 24 crores that is necessary for taking up the extension work of this canal.

Under Gramodaya Palhakam a financial assistance of Rs.25 thousand is being given at present. The amount is too small to start any industry. Hence the assistance amount should be raised to Rs.50 thousand in the case of graduates and Rs.1 lakh in the case of post graduates. Only this scheme will prove beneficial and help in removing unemployment among the uneducated youth.

Sir, Nizam Patnam Nidubrohi Railway line was surveyed and it is estimated that it would cost Rs.21 crores. I request that the amount should be sanctioned and this railway line taken up for construction at once.

At overbridge at Chiralais very much necessary. I had requested the Hon. Minister for Railway to sanction the overbridge at Chirala. But due to financial constraints it was not sanctioned earlier. This bridge is necessary to go to Chirala and other nearby places. At present the traffic is too dense and hence the immediate construction of this project is very necessary. I take this opportunity to request the Finance Minister to sanction necessary funds needed for the construction of this bridge.



[Sh. C. Sambu]

Before I conclude I request the Govt. once again to come to the rescue of the families where suicides have taken place. A sum of Rs.5100/- per family should be released immediately. Subsidy of Rs.1000/- per acre should be given to the farmers in Prakasham and Guntur districts. The gold deposited in the banks as a security should be returned to farmers. All the old loans should be written off and new loans should be given to all the affected farmers in these areas. Fresh loans on gold should be given to them. These are some of the steps which the Govt. should take at once. It is the responsibility of every one and especially the Govt. to help the farmers who are in distress. It is not good for the country to neglect the interest of farmers. I hope the trust that this Govt. would come to the rescue of cotton and tobacco growers in Guntur and Prakasham districts. I hope the Govt. will do justice to the farming community by attending to their needs in time. I thank you very much for giving me this opportunity to speak on behalf of the families affected by suicides in Prakasham and Guntur districts.

15.00 hrs.

[English]

SHRI K.S.RAO(Machilipatnam): I am extremely happy that the Minister has given ample time this time for discussing the Finance Bill, because last time there was a great criticism on this count. So this time, I do not think the opposition will have any point to criticism the Government in any manner.

This time not only the ruling party but also people belonging to various other parties have appreciated the General Budget. In fact, they want to the extent of saying that this Budget had been prepared keeping the mid-term poll in view. This clearly indicates the fairness in which the Budget has been formulated.

I feel that tax laws are made in such a manner that they stimulate growth of the economy, create incentive for production and better remuneration for hard work. If these were to be the policies or goals, I think, increase of taxes abnormally or decrease of taxes will not help. It must be a balance assessed on the experience of several years. In the last four years, decrease in the percentage of taxes in a manner has proved increase in revenue. So, obviously it has done some good to the nation. But while doing so, an Act cannot keep a donkey and a horse on par. I want to quote one particular instance. Item 15, under section 44A (C) of the Finance Bill, 1988, indicates that a sum equal to sixty percent of the amount must be deducted or treated as a profit in anticipation. I can understand the Government levying any amount of excise but how can they presume that sixty per cent would be the profit. If they do so, then they can straightaway deduct that amount right from the beginning. If so much be the profit, the Government itself can undertake that trade. I am also of the opinion that this anticipating profit in advance cannot stand test of law. There are lot of fluctuations in the consumption of quantity, in the purchasing ability of the people in that period, etc. so, certainly there will be variations in the profit. Therefore, I wish that the Government enforces the Act very rigorously and collects the taxes in a big way from the people who have made enough profits, but they should not penalize the people who have incurred loss out of their trade. So, I request the Hon. Minister to give a thought to this and see that extensive litigation will not be there tomorrow and this Act will not become void. I am not against there collecting the money, I am not against their increasing the tax and all that, but I only wish that it must be effective and it must be foolproof. The Ministry should have gone into the details of it. So, once again I request the Hon. Minister to check it up.

With regard to excise, the Chief Minister

of Andhra Pradesh has been very wise in the sense that it is he who is collecting Rs.600 crores through excise on country liquor, which is being consumed only by the common man and certainly not by the rich or the middle-class man. The countrymen must have been aware that this country liquor is being consumed only by very poor people and unfortunately even they are being penalized. I will tell you the price at which this country liquor is being sold. The country liquor is being sold at Rs.4.50 to Rs.5 per 90 ml. whereas the Indian made foreign liquor, which is being consumed by the rich and the upper middle-class people, is being sold at Rs.5 per 90 ml.

SHRI NARAYAN CHOUBEY (Midnapore): Where?

SHRI K.S.RAO: In Andhra Pradesh, I am telling this with authority. While collecting this Rs.600 crores from the common man, from the poor man, the Chief Minister gives an indication to the country that he is adopting all the welfare policies keeping only the poor man in mind. It is quite unfortunate. I can certainly support the Chief Minister in case he were to collect this money from the rich and distribute it to the poor...  
(Interruptions)

[Translation]

SHRI V.TULSIRAM (Nagarkurnool): Mr. Speaker, Sir, I want a clarification.

[English]

SHRI K.S.RAO: Sir, he cannot interrupt me... (Interruptions)

MR. CHAIRMAN: No clarification is allowed... (Interruptions)

[Translation]

SHRI V.TULSIRAM: Listen to me... (Interruptions)

You will have to listen to me... (Interruptions)  
Do listen to me.

[English]

MR. CHAIRMAN: No, I cannot when he is going on...

(Interruptions)

SHRI K.S.RAO: Sir, he is wasting the time of the House. The time of the House costs Rs.6000 per minute. A minute's disturbance by the Telugu Desam Member costs the Country Rs.6000...

[Interruptions]

[Translation]

SHRI V.TULSIRAM: Mr. Chairman, Sir, I have a point of order.

[English]

MR CHAIRMAN: Yes, what is your point of order?

[Translation]

SHRI V.TULSIRAM: My point of order is that Shri Rao Sahib is saying that the poor people are... (Interruptions)

[English]

MR. CHAIRMAN: there is no point of order. Please go on Mr. Rao...

[Sh. Y. Tulsiram]

[*Interruptions*]

[*Translation*]

SHRI V.TULSIRAM: I do not know whether he has increased the tax upon the country liquor consumed by the poor or not. Perhaps the taxes on the liquor have been increased so as to dissuade people from drinking...[*Interruptions*] Dose the Government of India want that the poor should drink the liquor?...(*Interruptions*)

[*English*]

MR. CHAIRMAN: That is no point of Order.

[*Translation*]

SHRI V.TULSIRAM: If the prices of the country liquor have been increased, it has been done with a view of dissuading the poor from drinking so that their money is saved....(*Interruptions*)

[*English*]

SHRI K.S.RAO: Sir, the basic thing that is required is, if we have to achieve our goals in industrial economy, we have to produce more power. Similarly, the Chief Minister of Andhra Pradesh who is claiming that he is for the poor, for the welfare of the poor...(*Interruptions*)

SHRI C.SAMBU: Sir, he is mentioning about the Chief Minister of Andhra Pradesh who is not here to defend himself.

SHRI K.S.RAO: Sir, can't we quote or mention about the Chief Minister? I can mention about the State Government's performance. Sir, the key to the Indian economy, whether it is agriculture or irrigation or industry, is the power. The Andhra Pradesh State was surplus in power.

SHRI C.SAMBU: Sir, why Andhra Pradesh alone? In other States also power shortage is there.

(*Interruptions*)

MR. CHAIRMAN: Mr. Rao, don't criticise about the State Government. You talk about the Finance Bill.

SHRI K.S.RAO: Sir, the finance is connected with the entire country. It is not restricted to Andhra Pradesh only but it concerns other States also. I can mention about the finance pertaining to the Andhra Pradesh State. You have also allowed the hon. Members several times to criticise some other State Government. So, Sir, Andhra Pradesh is a State where power was in surplus some years ago. But unfortunately, now there is power-cut by 80% to some of the key industries. What I would like to state is that if the Hon. Minister or the Government has neglected any particular State in the matter of generation of power or supply of power, it will have a cumulative effect on the poor people. I would therefore request the hon. Minister to give some preference or the incentives for generation of power, if necessary, even to the private sector.

Sir, there is ample gas and ample oil in Andhra Pradesh. I would request the Centre to come to the rescue of Andhra Pradesh in generating power so that the industries will not suffer in the States. In this context, no matter whether it is Andhra Pradesh or any other State whether it is ruled by Congress-I or any other Party, I wish that the decision of the Government of India should be on the basis of the advantage to the people. Sir, the Telugu-Ganga Bellimela project has been pending. For the Bellimela project machinery worth a couple of crores of rupees is lying idle which could not be utilised because of the objections raised by the Orissa Government. It is not a question of Orissa State or

Andhra Pradesh. They are all part of the country. I would therefore request the Government to see that the project is completed and start functioning very soon. Already a couple of years have been lost. Similarly, Telugu-Ganga Vanasadhara project should also be completed as early as possible.

Sir, a Colour TV Tube Project was to come up in Vijayawada two years before. We do not understand what has come in the way of this project. This project has been delayed in spite of all the infrastructural facilities were readily available there and all the clearances were also given. I would request the hon. Minister to look into this and start the project. No economy can flourish unless these things come up and Tax laws must look into the generation of wealth.

Sir, coming to the crop insurance, I appreciate the Government of India in bringing crop insurance. But the restriction that has been put on the farmers has not yielded any result. I would request the Government to remove the stumbling blocks preventing the benefit being given to the persons and the Government should see that persons who have suffered must be compensated well. When big traders and industrialists are being compensated, hundreds of crores of rupees are lost. Why should a poor farmer not be benefited? Why should a provision come in their way? So, I request this to be corrected and to be extended to the cotton growers also. My honourable colleague has already told you that the cotton growers in Ongole have suffered very badly and went to the extent of committing suicide. The Government of India through the banking institutions and other financial institutions must take immediate decision in coming to their rescue by writing off the interest by making it long-term loans and also if possible, identifying the worst sufferers particularly the families who have committed sacrifice to be given the total advantage of writing off the loans.

Sir, it is the question of re-cycling of funds. There should not be stagnation. If these hundreds and thousands of crores of rupees in the banks could be re-cycled well by identifying the right beneficiaries above party lines, that is enough for improving the economy of this country. But unfortunately, certain parties in various Governments have been utilising these funds on party lines. It is quite unfortunate. A poor man is a poor man and he should not be considered as to which party he belongs. He must be helped, he must be aided by all the governments.

Sir, about land reforms, unfortunately land reforms in Andhra Pradesh were not being implemented properly.

SHRI M. RAGHUMA REDDY (Nalgonda): What about other States? (*Interruptions*)

SHRI K.S. RAO: You criticise, you do it, we did not object.

Sir, when the Government has kept the limit on the poor farmer, the agriculturist, why should there not be a ceiling on the urban wealth? If a farmer were to have 18 acres, there is a limit of ceiling, he should not have more than that. But, if an urban citizen were to have the property worth a couple of crores of rupees, there is no ceiling. Why should a poor farmer be discriminated? When there is a limit to the wealth of a poor farmer, let there be a limit to the wealth of the people living in the urban areas also. Sir, the infrastructural facilities that are available in urban areas and lack of these facilities in rural areas is the basic reason for the urban migration which is causing a great havoc which has actually caught the attention of the entire Members of Parliament also that no amount of speaking here, either criticising the government or praising our own government will help checking these things. The real intention of the policies or the tax laws in a manner to

[Sh. K. S. Rao]

bring equity, justice or more production and better distribution is required. This Minister of Finance who can amend those laws acts in a manner that improves the position in reality.

Sir, only one point. All this talk will not help. It is the human skills that are required to generate the wealth. Human skills are lacking in this country. *(Interruption)*

Yes, we have the system of education which is making people with no confidence. They only say, they have got graduate degrees, doctorates, but when they have to utilise their skills, they have no skills at all. But their ego is built in their minds that 'he is a doctorate, he is an engineer, he is a doctor', but when it comes to utilising his skill, he is a zero. So, Sir, this system of education no matter how much allocation is made to the Ministry of Human Resources Development, they must increase the skills of the people, enable them to generate more wealth, thereby we can solve the country's problems. Thank you very much, Sir. *(Interruptions)*

15.19 hrs.

SHRIMATI D.K.BHANDARI(Sikkim):  
Sir, I thank you for giving me time to speak on this Bill.

*(Interruptions)*

Sir, many of the Members who spoke on the Finance Bill expressed their strong feelings for removal of regional imbalances. Sir, the Centre should come forward and plan properly to remove regional imbalances. The States alone cannot do so. Sir, while allocating funds to the States Governments they are asked to mobilise their resources in their respective states, but a state like

Sikkim which lacks basic infrastructure, cannot do so, the result being the percentage of the matching grants dropped down.

Sir, the regional imbalance or disparity can be or cannot be attributed to the central planning of the Government. That is a different matter. But now it is high-time that the Government should give a serious thought to it. Mere jugglery of statistics and figures will not do. Sikkim is a backward State. It is backward in every respect, economically, industrially and educationally. Its resource mobilisation capacity as it stands today is practically non-existent. Sikkim is 28 years behind other States in regard to planned development. The economic backwardness can be gauged from the fact that not a single industrial unit has been set up by the Centre in Sikkim. It is really surprising that for the last 13 years, since Sikkim came into the mainstream, the Centre has not taken care to set up a single industry. Just like North-eastern States, Sikkim on its own cannot set up any industry due to lack of finance and infrastructure. Despite incentives, private industrialists are hesitant to set up industry in this State. This is largely due to a number of negative factors like transport and communication difficulties and other infrastructure constraints. The Centre should come forward to remove these constraints. The Centre can set an example by way of encouragement to the private sector by setting up industries in such State.

On last Friday only, the Hon.Minister, Shri Faleiro while replying to my question as to what steps Government envisaged to remove regional imbalance, told that some State or some parts of the States are declared industrially backward areas. Only by declaring such areas of the country as industrially backward areas will not remove regional imbalance. The Centre should have come out with set targets and programme down to earth which would help remove regional imbalance.

I entirely welcome the slogan and the idea that was mooted by the Prime Minister, during the AICC Session in Madras "Bekari Hatao". But Sir, without setting up industry, it is not possible to provide jobs to the local people. With the spread of education, more and more persons are coming from schools and colleges for jobs and we do not have technical institutions and industries there. People look out for Government jobs but Government cannot provide jobs to them. This leads to social tension. This will also, as the case everywhere, leads to law and order problem. The problem of unemployment is rising its ugly head in the State. The Centre must come to the aid of the State by setting up industries—small or medium—so that that would help solve this problem.

The State of Sikkim is the only State which cannot boast of a single industrial unit set up by the Central Government. How true but how tragic it is? Does it not show the apathy of the Central Government towards Sikkim. I think and feel that Sikkim does not deserve this discriminatory treatment.

As Sikkim came to the mainstream in 1975, there is a huge gap between the development of Sikkim and that of the other States. The result is, Sikkim is backward in every sphere of economic activity, as compared to the other States. How unfortunate Sikkim is that the planners in the Centre do not consider the huge differences in terms of Plan outlay and plan development between Sikkim and other well developed States of the country. Not only this, the cruel part is that the Plan allocation for Sikkim, percentage-wise is less than that of other States.

Justice and fair play demands that the State should have been given higher allocations to fill up the great gap.

May I request the Hon. Minister to look into this aspect while considering the case of Sikkim for higher allocation of funds?

Sikkim's main occupation is agriculture. 12% of arable land of Sikkim is very much prone to landslides and it is decreasing with every successive onslaught of the monsoon. Agricultural production is not enough to feed the people. The farmers have to rely on cultivation of cash crops and have to go in for horticulture or high-value-low-volume crops. Here also, there is a limit to the extent farmers can go in for this. The Centre can play an important role in the development of this sector by helping our farmers in a big way. The nationalised banks can step in fruitfully to help them.

Unless there are roads and proper transport system, the produce cannot reach the market. In such an event, the farmers cannot hope to get remunerative price of their produce. The condition of the national highway, particular during the rainy season, is awfully bad, and dangerous. Traffic stands in a standstill on the national highway because landslides occur during rainy season. Unless the Centre funds in a big way to make the roads safe for all seasons, the bottleneck will continue to remain there. This want of funds has retarded the development activities in the State and has an adverse effect on the economy. These are some of the aspects which I felt necessary to draw the attention of the Hon. Minister who has many a time visited Sikkim and who knows the situation there and the difficulties which Sikkim faces today.

I would like to draw the attention of the Finance Minister to the fact that no Finance Commission has been kind enough to Sikkim. The Finance Commission must consider the backwardness of the State as one of its important criteria in the allocation of funds among the States. Sikkim is a very backward State and it should get more allocation of funds. I sincerely hope that small and backward State like Sikkim should be given special consideration in the matter of allocation funds by the Finance Commission.



[Translation]

SHRI BHISHMA DEO DUBE (Bonda): I rise to support the Finance Bill. India is the country of farmers and its 80% population lives in villages. In the proper development of our villages lies the development of 75-80 per cent of our population. The Budget presented by the Hon.Minister of Finance is really a rural-oriented budget. The farmers and the rural people are likely to be benefited by this Budget in not too distant a future. But what ought to have been done has not been done. Irrigation is most essential for agriculture. If the Ministry of Water Resources do not cooperate in this field then the development of agriculture is impeded or does not take place at the required speed. In this Budget a provision of 2,200 crore rupees has been made for this. No doubt, this allocation is more than the allocations made earlier, but it still falls short of the present requirements of the country. I would like to request the Government to pay special attention towards the development of the rural areas so that the people need not have to migrate from villages to cities and thus add to the pressure upon the cities. If all the facilities being provided in cities are provided in villages also then the problems of the cities will be lessened and balance would be created. The countryside should be linked with more and more roads so that the products of the villages may be carried to the cities and items of daily use may be brought from the cities to the village without any difficulty. Its another advantage will be that the culture, civilisation, knowledge and education etc. of cities would reach our villages. There should be no watertight compartments between the villages and the cities. We should draw up schemes for the integrated development of the cities and the villages. The eighth Five Year Plan is on the anvil.

[English]

MR. CHAIRMAN: Please continue next time.

15.30 hrs.

## COMMITTEE ON PRIVATE MEMBERS' BILLS AND RESOLUTIONS

[Translation]

### Fifty-Second Report

SHRI CHANDRA KISHORE PATHAK (Saharsa): Mr. Chairman, Sir, I beg to move that this House do agree with the Fifty-Second Report of the Committee on Private Members' Bills and Resolutions presented to the House on the 27th April, 1988.

[English]

MR. CHAIRMAN: The question is

"That this House do agree with the Fifty-Second Report of the Committee on Private Members' Bills and Resolutions presented to the House on the 27th April, 1988."

*The Motion was Adopted*

15.31 hrs.

## RESOLUTION R.E.

[English]

### CENTRE-STATE RELATIONS *CONTD.*

MR. CHAIRMAN: The House will now take up further discussion on the following Resolution moved by Shri H.M.Patel on the 18th March, 1988:-

"This House expresses its deep concern over the present Centre-State relations and demands their early restructuring so that federalism underlying our Constitution is made more

Shri Harish Rawat was speaking on 30th March, 1988. He may now continue.

[*Translation*]

SHRI HARISH RAWAT (Almora): Mr. Chairman, Sir, today all agencies in the Federal System are making efforts to weaken or render ineffective the characteristic qualities of our Federal System. Planning Commission is nowhere mentioned in the Constitution, but Planning Commission is responsible for the overall balanced development of the country. Our Planning Commission is providing quite equal to the responsibilities assigned to it. It is also the responsibility of the Planning Commission to see that the planned expenditure is spent properly in the States. Whenever the State Government misuse the planned expenditure, it becomes the duty of the Planning Commission to warn the State Government concerned against spending beyond the allocation made to it in the Annual Plan or the Five Year Plan.

15.32 hrs.

[SHRI N. VENKATA RATNAM *in the Chair*]

But it has been noticed that whenever such efforts are made by the Planning Commission, the State Governments always take exception to this basic duty of the Planning Commission. Their usual objection is as to why the Planning Commission is raising this issue whereas the funds meant for planned development are used by these State Governments for purposes which can be termed as populist measures and are not in the long-term interests of the people of the State. By doing this they can get votes from the people for sometime, but it is not in the interest of the country. It is expected of the Planning Commission to ensure that State Governments function within the parameters or limits fixed for them. Often the

State Governments complain that they are not getting their due shares in the funds which they should get under the Federal Financial System. To some extent their complain is justified because the financial resources of the State Governments are limited while their responsibilities are unlimited, but at same time, the responsibilities of the Central Government should not be lost sight of. The responsibilities of Centre are in no way less. A perusal of the three lists contained in the Constitution reveals that the union list is most voluminous. The Government has to discharge its responsibilities with regard to the concurrent list and has to allocate funds to the States according to the recommendations of Finance Commission. I am not averse to the State Governments demanding more funds. They may make such demands, but should not cast aspersions either on Central Government or on Finance Commission that injustice is being done to them. If they do so, that would mean that they are casting aspersions on the Constitution makers.

Mr. Chairman, Sir, I have previously mentioned that it has become a fashion to bring into dispute the institutions of Governor, the Chief Justice and the Election Commissioner. Under our Federal System, which has been functioning quite smoothly, in the year 1967. Congress Party Government was formed at the Centre and there were Governments of opposition parties in certain States and they have been working successfully for a very long period. If our Federal System had not been so tolerant or our Constitution-makers had not visualised such a situation, I do not think that the Central Government of one Party would have tolerated the Governments of the other parties in the State. It is the inherent characteristic of our Constitution that the Central Government and State Government have to work in harmony for the development of country, whether the Central Government wants it or not.



[Sh. Harish Rawat]

Sir, recently a Chief Minister made a statement that the Centre is a myth. I do not consider this statement to be a responsible statement.

PROF. MADHU DANDAVATE (Rajapur): Myth or Mythology?

SHRI HARISH RAWAT: I do not know in which context he said so, you can explain it in a better way, because he is very close to you and he also needs your advice.

Mr. Chairman, Sir, I was submitting that it does not behove a Chief Minister to make such irresponsible statements. If there is attack on the rights of the States, then they should try to bring forward the factual position. On the pretext, if we attack our fundamental values and traditions, this will harm the interests of the States too. A person who has faith in the concept of Federal Constitution will wish that our States should be strong. Our States are like the limbs of a body. When the different limbs of the body are strong, then definitely the whole body will be healthy and strong. If our States are strong and economically sound and work for the welfare of the people, then our Federal System and our Governments at the Centre and in the States will be strong. If the Centre is not discharging its responsibilities anywhere to the desired extent, then the matter can be brought to the notice of the Prime Minister and discussed at various forums available in the country. Our democratic set-up is strong enough to discipline the Central Government, if it does not work properly. In order to hide their incompetence, weakness, incapacities and lethargy, the States tend to cast aspersions on the Centre and on the various aspects of our Federal system. It will benefit neither the Centre nor the State Governments.

Mr. Chairman, Sir, so far as Hon. H.M. Patel is concerned, he is a very experi-

enced person and few of us have done as much work as he has done to strengthen the federal structure. He knows all the good points of this system, even then, he has raised this objection. He alone knows why he has done so. He could not touch upon certain points in his speech. So, from his speech, we could not understand his mind. But some people will take advantage of this resolution and try to raise such issues and make them topics for debate as ought not to have been made topics for debate. Therefore, I will like to request the Hon. Members of the opposition not to raise such issues. Sarkaria Commission report has been received. These issues can be taken up during discussion on that report. A lot has already been said in this connection outside the House. All these points can be discussed along with report. Ruling party and opposition party will be welcome to take part in the discussion. We will also express our views in this regard. We shall welcome suggestions to remove deficiencies if any, on our part. But this issue is raised solely with political motive, it will benefit none. Therefore, I would request him not to press his resolution any further and withdraw it.

[English]

PROF. MADHU DANDAVATE (Rajapur): Sir, I have got one request to make. Shri H.M. Patel, initiated the discussion. He spoke only for a minute. But next time, when he was supposed to continue his speech, due to dislocation of the air flight, he could not reach in time. There are precedents in this House that with the special permission of the Chair, without making it precedent, he can be allowed to continue his speech. If the House so permits, he must be permitted to speak. He will have no objection.

SHRI RAM PYARE PANIKA (Robertsganj): We are interested to hear him.

MR. CHAIRMAN: I will put it to the House. Shri H.M.Patel, may now resume his speech, left incomplete on 18.3.1988.

SHRI H.M.PATEL(Sabarkantha): Mr. Chairman, I am very grateful that the House has also agreed to permit me to speak in favour of the Motion which I have moved. I moved that Motion after a very careful consideration. And my object in moving it was a constructive one. It was not intended just to raise a controversy. But it was in order to emphasise that Centre-State Relations are of the greatest importance for the unity and integrity of the country. It is most essential that States should not feel that they are not being treated fairly. A great deal depends upon the relationship, human relationship, the care which the Centre takes in order to see that the States do not feel that they are being unfairly treated. If you look at the powers of taxation, the List I which is the Union List and it contains the main powers of taxation. List II contains the Powers of taxation which are entrusted to the State Governments. And the List III is the Concurrent List. There is nothing relating to taxation in Concurrent List. It was understood, at that time, and it is very important to note that no less a person than the President of the Constituent Assembly Dr. Rajendra Prasad spoke at that time and said that the one feeling the provinces have—I think, in those days States were called provinces—is that for all developmental purpose, for all major purposes, the States have to depend upon the Centre for resources. And, therefore, every care has to be taken by the Centre to see that the States' requirements, the genuine requirements of resources are made available to them. And that is why, when the Constitution was framed, they took care to have the Finance Commission appointed regularly every five years. And the object of that Finance Commission was to see that whatever difficulties the States may have encountered during that intervening period in their developmental activities as a result of

want of resources, should be made good by various provisions which they might recommend to the Central Government. And it was understood that the Finance Commission's function would be of the nature of an arbitrator, and, therefore, for all practical purposes, binding upon the Central Government. And, I must say that the Central Government has almost invariably accepted the recommendation of the Finance Commission. This is the important thing. The spirit in which the relationship has to be worked, that was always regarded by the framers of the Constitution as of utmost importance. It is only when the spirit fails - the spirit of accommodation, understanding of the problems of the State - that the States feel disgruntled and dissatisfied. And that is when the Centre has to see to it, if they are wise and wish that the relationship continues to be of the most cordial nature and cooperative nature, they must be most accommodative. Of course, it does not mean you accept everything that the State asks; but it does mean that you satisfy the States that every effort has been made to understand the difficulties of the State, the genuineness of the State's requirements and demands and that the Centre has done its utmost to assist the State.

It is because at times this has been wanting that difficulties have arisen. If you see the debates of the Constituent Assembly, they speak of the role that Governors were expected to play. The Governors were not expected to intervene in the working of the State. He was to be, as the President, a neutral person, a wise person assisting the State Chief Ministers if the State Chief Ministers sought the benefit of his experience and knowledge. But he was not to intervene in any way - one way or the other. The Governors were expected to play a completely fair and neutral role. Instead of that, as circumstances developed, they play a role where the State's interests were not paramount to them; but the interests of the

[Sh. H.M. Patel]

Centre politically were. And this is when the trouble began.

You have to only see the rôle that a Governor like Mr. Ram Lal played. That is an exception; that is true. Nevertheless it is that kind of unfortunate experience which weighs heavily on the minds of the State Government and the people of the State. This is what has to be avoided. It is an exception that it happened; but it did happen and this is something which should not happen.

That is why you will see in the Sarkaria Commission Report that they recognised the fact that some Governors have failed to function in a way which was expected of them to function. In order that it may not happen in the future, they have laid down certain rules for guidance. For instance they said that don't appoint as Governor a politician particularly of the ruling party at the Centre to a State where the State Government belongs to another party. They have made various suggestions of those kinds. The Sarkaria Commission very rightly does not suggest that there should be firm, fixed, rigid rules. They only suggest them as something advisable to do. Flexibility has to be retained and that flexibility should be utilised wisely and that wisdom must be exercised at all times by those in authority at the Centre at any given time.

Unfortunately that is not happening. Reading the Sarkaria Commission Report I am impressed by one thing. The Sarkaria Commission report even if it admits that the States were justified in their grievance, it does not always prescribe rigid solution that so and so shall be done. It merely suggests that it will be advisable to do it in this way and that this may be prescribed as a guideline. Always leave the door open for a different way of functioning. That is the essence because there may be so many variations and combinations of circumstances that it is

not always possible to function in a given way alone. This flexibility is the path of wisdom and that is why in our own Constitution we did not prescribe everything by rigid rules. There are always conventions in the working of this House. Rules are sometimes rigid and there may be difficulty in their applicability. Therefore, in addition to rules there are conventions and conventions are treated as strictly as if they were rules. It is only when you fail to adhere to the conventions and say that conventions do not matter that trouble begins. Conventions ought to be respected but at the same time you must realise that sometimes conventions may also have to be departed from but for doing so there must be strong reasons. So I would urge that these are some of the things that have to be taken care of.

Now you will find so many States desire to develop certain industries. They feel not to have the ability to establish a particular type of industry means that the State will be sentenced to permanent backwardness. There may be good justification. Why can't the States be assisted in establishing that industry. It is not for the Centre to decide which industry a State should have. It must be decided by the State and the Centre sitting together and these coming to the conclusion that this that is the wiser thing to do. But if the State still feels that without the development of a particular industry the State will remain backward then, I think, the path of wisdom may well be for the Centre to give in. You will find since Planning Commission came into being many things have changed. Unfortunately it so happened that when the Constitution was framed Planning Commission was not there. Planning Commission was set-up a few months after the Constitution came into force. The Planning Commission really threw a big spanner in the working of the whole system of financial devolution of powers. The financial powers and the Finance Ministry's functions were encroached upon by the Planning

Commission. In fact, the Planning Commission was given functions and authority which led to the then Finance Minister to resign because he felt that the Commission would encroach very seriously upon the powers and functions of the Finance Ministry. Setting up of the Planning Commission meant a great deal of difference. In the earlier years the problem that arose were not so difficult or were not so serious and there was this great advantage that the earlier rulers had. Prime Minister here then was Pandit Jawahar Lal Nehru. He was a person who understood the difficulties of democratic Governments and the importance of functioning not only in accordance with the spirit of the Planning but also he would go further and would make any amount of concessions in order to see that the Parliamentary system of Government was made to work. In the States there were Chief Ministers and people who were functioning closely with each other during the freedom struggle. All this made function by close personal understanding very much easier and, therefore, difficulties and differences did not surface in the way in which they have surfaced now. But it does not mean that the difficulties did not exist then. They did exist. But it could be resolved in the spirit and in the manner in which it was expected these difficulties would be faced, which is what should be done now, arrive at an understanding in a fair and a just manner.

**SHRI SATYENDRA NARAYAN SINHA** (Aurangabad): I just wanted to ask him a question. Mr. H.M. Patel was Finance Minister and Finance Secretary also. So, from his inside knowledge, we would like to know what were the difficulties faced by the State Governments due to the setting up of the Planning Commission. It is for our knowledge that we would like him to explain this position.

**PROF. MADHU DANDAVATE:** You can reveal him the inside secret.

**SHRI H.M.PATEL:** There is nothing secret about it. I was surprised that Shri Satyendra Narayan Sinha would ask me this question. The Planning Commission really took over the planning for the development of the entire country. On that basis, it distributed resources and indicated how the development should proceed in different States. It took over the functions which, it was expected, the Finance Commission would discharge. Finance Commission was to see what resources were needed by a state for its development. But the development was now going to be decided by the Planning Commission, without consulting States. In fact, a great deal of differences arose because of that. The Planning Commission's idea of development of the country, as a whole, did not always coincide with the ideas of different States as to how each of them should develop. This was inevitable. Different States will have different ideas of the way in which they should develop, speed at which they should develop and there are so many other things due to which differences would arise.

Even today, every time the State Government comes and discusses with the a planning Commission what it wants to do during the year and what resources it needs, it is the Planning Commission which decides the quantum of resources, whereas it was really intended under the Constitution that the Finance Commission should do it as an arbitrator between the Centre and the State. But now the Finance Commission has to adapt itself to the functioning of the Planning Commission and the way in which it should function.

I do not see anything wrong in that. But it did create tremendous complication. That is the one area which was bound to and has lead to a great deal of dissatisfaction. That dissatisfaction did not come very much to the surface, as I said, during the earlier years because the leaderships in the States and at

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the Centre were in the hands of people whose personal relationship was excellent and who very largely belonged to this same political party. But that is not to say that the ideas of each of those....

**PROF. MADHU DANDAVATE:** I think, precisely for this reason it had been recommended that the entire period of the Finance Commission should be co-terminous with the Plan period. Your point is very correct. That's why the insistence was that both the periods should be co-terminous.

**SHRI H.M.PATEL:** I won't go deeper into this. It was one of the reasons why certain difficulties arose in the working of the Centre-State relationships. I was very glad to hear that various Members emphasise the fact that good Centre-State relationships are of a very vital nature. They are vital to the unity and integrity of the country and we know that. The satisfactory functioning of the Centre-State relationships is at our peril. If you look at it, the difficulties that arose in Assam could well be said to be due to the fact that the Centre did not attach the degree of sustained interest and attention that it should have attached to the problems of that State. I do not say this from hind-sight. Nevertheless, the reason was certainly that the amount or quantum of attention, the quality of attention that should have been paid, had not been paid.

16.00 hrs.

You consider the Punjab situation. It is a very serious situation which is again arising out of unsatisfactory Centre-State relationship. We should try to see that such difficulties are avoided and not allowed to drift, not disregarded and not laughed at. However flimsy a request of the State Government may be, let it not be laughed at. Let there be an attempt to understand it as to why the State Government feels so keenly

about and then see how far you can overcome it. Explain to them as to why it is flimsy. After all, they are not unreasonable people. You can show that it is not all that important that the Centre should disregard certain other matters in order to acquiesce in that particular proposal. I really want to emphasise this factor that the Centre-State relationship should be attached the highest importance because we do want this country remain united and integrated. There are always fissiparous tendencies in this Country. There are so many problems that arise in different parts of the country for different reasons, not always because of the Centre. They arise due to the reasons which are particular to that State itself. But nevertheless, it is necessary for the Centre also to go to the assistance of the States to go and help settle their problems. The Centre should consider itself as deeply involved in the problems of every State but in a healthy manner not in a spirit of intervention, not in a spirit of wanting to gain something out of it, to establish its dominance over it but in order to be helpful, in order to assist in its going ahead more satisfactorily. Today, for instance, look at our educational policy. Everybody talks about education which is in the Concurrent List. These States have done this and these States have not done that. It is quite true. But what has the Central Government done to ensure an increase uniformity. One of the wise things, we did was to make primary education compulsory. I call it wise because it recognises the fact that primary education was of very basis importance. But then having accepted that, we should have considered it from the administrative point of view, as to what were the problems involved in seeing to it that this decision to make education compulsory could be worked out, could be implemented and could be carried out. To this day, 50 per cent of the States really do not have any buildings of primary schools in their villages. Why? How can this come about? 40 years have passed since independence only to be

able to say this that we have not done this. It is not because we did not want to carry it out but because we did not pay enough attention to the administrative problems for ensuring that Primary education could be made compulsory. We did not consider that really making it compulsory does not mean making the children go to the school once or twice and then drop out. That has no meaning but we did that. We thought that merely registering children of a village was enough. Whether they went to school afterwards or not was of no importance. Therefore, the result is most unsatisfactory. I was very delighted when I heard that at long last a new education policy was not only going to be but implemented by this Government unfortunately again, the implementation is only in name. No adequate steps have been taken to see that it is implemented, even to a minute extend, even to the extend of 25 per cent. Merely having the Navodaya Schools, etc not going to ensure a new education policy. It may be one of the very desirable steps. I would not say that it is not so. But is that going to revolutionise education in India. Not in the least.

AN HON.MEMBER: Operation Blackboard.

SHRI H.M.PATEL: Yes, but the Operation Blackboard has also remained the expression "Operation Blackboard" only. I know more about my own State and I can tell you that even to this date-and this is one of the advanced States in terms of primary education-there are thousands of villages in which there is not a school building. Children sit on the floor. There are no benches, nothing. And various schools buildings that have been constructed in the last few years have been the result of voluntary effort. In Gujarat the bulk of schools that exist in villages even today, exist because of the voluntary effort and not because of Government's action. That voluntary action instead of being encouraged, if you only

knew, Government put all possible obstacles in its way. This is something which we should be concerned about. The Centre-State relations mean all this. It means that the education should be given the greatest encouragement. How much money is being given? Though you spend a great deal of money only for some hundred and odd universities, may be 120 or 130 universities. Just think of it. There are thousands of under-graduates and we spend enormous sums of money of them. Professor, Lecturers, and Readers, all highly paid, I do not grudge them this in fact their salaries which should have been enhanced much earlier have been enhanced only now-how much money is being spent on them and how much money is being spent on primary education? There are even today primary schools, even where they exist, you will find that for months on and on there are no teachers. How do you expect the children in those schools to learn anything at all? This is what we do. So, it seems to me that there are so many things that need to be done but they are not being attended to. They are not being attended to in some cases for want of resources but very much more often for want of a decision on priority. But States have their own priorities. It must also be the duty of the Centre. The Centre should be given the right, to give guidance as to what the priorities should be and that is what is involved when you have an All India policy of Education. Have the right priorities and you insist upon them. And if you insist upon those priorities for the States, I do not think that there will be any resistance from the States or there will be any trouble between States and yourself. But certainly if you go towards the higher education. I think there will be differences of opinion. I do not think I should dilate upon this particular point very much more.

The Centre-State relationship covers many other subjects. As I said, many State Governments want certain industries to be

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developed. I think yesterday or this morning, there was some reference to Haldia. The West Bengal State Government desires that this Haldia Petrochemical Complex be developed. They want certain fertiliser factories to be developed. This has been agreed to on paper. But resources are not forthcoming. Now, the West Bengal Government feels that it is not being given the resources it ought to be given for political reasons, because of the differences in the political ideological that govern the Centre and that State. There are other States like the Karnataka and even Gujarat, which want industries of certain kind and they do not get them. They feel that they are being unfairly treated. But this is because the Planning Commission has decided that development should take place in a particular way. But it has been agreed that the Planning Commission shall not have the last word on all these matters. It should be the business of the National Development Council. After all, that is what the National Development Council sits there for, and the NDC should be made to be a much more active body, not a body which meets once in a year and ditto everything that is said by the Planning Commission. That is why the Sarkaria Commission quite rightly has suggested due changing of its name to National Economic and Development Council. There is nothing much in the name, may say. But it emphasises the fact that in economic matters, there must be genuine consultation between the States and the Centre to consider and evolve agreed policies. It is not difficult to do so. It could be done. I think, even if people have to in, they would at least feel satisfied that they have had their say, they have done their best to win a particular thing for their States and if they have not succeeded, someone else has got it. They are also capable of taking a national view. There is no need for you to imagine that the national view is the monopoly of those at the Centre. We all come from the States. We should not

think we are wiser than all the rest.

I think I should not take more of the time. I will reserve my further remarks when I am called upon to reply to the discussion that takes place because I would very much like to know what the members think on this important subject of Centres-State relations. It should be debated not in any rancorous spirit at all. It is true that there are complaints- very serious complaints against the Centre from the States. Those, we should recognise, have been due to certain facts and certain changes that took place. No motives need be ascribed, even though it is true that political considerations have influenced certain decisions and when those things take place, there is bound to be unhappiness. That is bound to happen. Where there are human beings, there will be these failings of the human beings and the relationships are bound to be disturbed. But if we as a whole, not as individuals, but sitting as a body, allow ourselves to think as a body, those individual feelings will disappear and would start to think much more in terms of what is in the national interest and what is nationally desirable. I think, once we concede that the Centre-State relations must be of the most cordial nature, cooperative nature, because it is essential in terms of national unity and integrity, then the solutions and answers that we need in order that that type of a relationship develop, will be found. It will not be so difficult.

**SHRI SATYENDRA NARAYAN SINHA** (Aurangabad): Mr. Chairman Sir, I have listened to the speech of my learned friend Shri H.M. Patel, who has moved this Resolution. I personally feel that the Resolution has come at an appropriate time because the Sarkaria Commission has already submitted its report and this report is likely to be discussed in this House. This Resolution has provided us an opportunity for expressing our views not so much on the Commission itself, but our general views about the



Centre-State relations. This may be a precursor to the debate that will take place on the report of the Sarkaria Commission. I agree with him that the Centre-State relations should be cordial. They are very vital for the unity and integrity of this country.

I was listening to him very patiently and with great attention. I think the functioning of the Planning Commission is one of the major irritants in the relationship between the Centre and the States. It is because all the States have felt that they do not enjoy as much independence as they should in preparing their own plans and in ordering their own priorities. I think it is the Planning Commission which has been in a way imposing their own views on them and with the result that they feel their own spirit of innovation, skill and their own ideas are being neglected. That is one of the irritants in the relationship between the Centre and the States. I personally feel and I think it has been the view right from the day Pandit Jawaharlal Nehru set up this Planning Commission in this House and subsequently also that it is not the Planning Commission which should prepare the Plans but the district units also should be involved in preparing the Plans.

Recently, the Prime Minister has laid great emphasis that these districts should be made responsible for preparing the district Plans and that the planning process should start right from the grass-root level and the *Panchayats* or *Panchayat Samitis* would also be brought in preparing the Plans and which will go upto the State level and ultimately they will be discussed at the level of the Planning Commission. So I hope that the Prime Minister wants that the districts and the various units of the administration and development should be involved in the exercise of preparing the Planning Commission. They should participate in the development Plans and Panditji used to say that they should all be allowed to have an opportunity

of participating or have a sense of participation in the preparation of Plans. So I do hope that the irritants that have been felt in some of the States which have made complaints, which I am sorry to say that, have not been quite free from political considerations as well. I am obliged to make this observation because the other day some Chief Minister, I do not want to name him, called the Centre a myth. I do not know what was the consideration on which he based the remark and observation. If you are going to call the Centre a myth, it shows the complete ignorance of the whole scheme of our federal polity, as laid down by the Constitution. Because if you read the Constitution you will feel that the Constitution had laid foundations for a co-operative federal system in this country. It is not a federation in the sense that the States have agreed to federate into federation. But they were there, and they have become a part of the Indian polity, with this difference that the States will be enjoying autonomy or certain powers in social and economic fields; and the residuary powers will be with the Centre; and by enumerating the various subjects and entrusting the responsibility to the States and the Centre, the scheme of distribution of powers, if we may call it so, shows that the States have been given certain powers in regard to law and order and also in the social field namely Education etc. It is the States which are the implementing agencies of the Centre.

Mr. Patel was referring, for instance, to Education. We have now this new all-India National Policy on Education, and a detailed plan of action. Who will implement this? It is the States which will be called upon to implement this Policy. The Centre will be giving them guidance; the Centre will be overseeing the implementation of it, but it is the States which are responsible for the implementation of this Policy. The Centre will provide them funds. So, the Centre and the States are not mutually-exclusive entities, but they are cooperative entities and they



[Sh. Satyendra Narayan Sinha] have to function in a spirit of cooperation, consultation and consensus. This spirit should inform the functioning of the States as well as the Centre; and that is the spirit which underlines the whole scheme as adumbrated in the Constitution. Therefore, it is from that point of view that I say that when the States make serious complaints about lack of resources or lack of opportunity for initiatives, they appear to be misconceived, because we have found that the States have been given grants. All that is necessary is that the Centre should take into consideration the regional disparities that are taking place. It is the Centre which can see to it that these differences in regional development, i.e. one State going ahead and another lagging behind, are removed. They can be removed only by the Centre, and the Centre has been given a pre-eminent position.

Take the case of law and order. Although it is within the domain of the States, the House knows that the States have run to the Centre for help. Suppose there is a serious communal riot taking place in certain States; the States ask for Central assistance in the shape of para-military forces or sometimes of the Army. Or, some gang may be harassing the law-abiding citizens. So, there are many areas where the States have autonomy, but they come to the Centre for help; and it is the Centre which goes to their support in such a situation. So, the idea is that the Centre and the States are to function in a cooperative spirit.

We should not consider Centre as an isolated entity and such a feeling was not there so long as the Congress Party happened to be in power in all the States. It is only after the fourth General Election when in some States different parties came to power or a coalition government was voted to power that this question was brought to the fore and assumed stridency. I know that even when the Congress party was in power

everywhere, the States did feel sometimes that they needed more autonomy; they felt it, as you said, even with regard to their planning, even with regard their development process, even with regard to re-ordering of priorities within the States; they did feel a little caburid by the Planning Commission. A person like Dr B C Roy had raised this issue once and told Pandit Jawaharlal Nehru that this would not strengthen the States. While he was subscribing to the view that the Centre should be very strong - and I think all of us agree to this point that the Centre has to be very strong - he pleaded for strengthening the States also, because he felt that it was only on the foundation of the Strong States that the super structure of a strong Centres could be sustained; and that is why he pleaded with Jawahar Lal Nehru to allow the States also to develop in their own line and to have more resources to be able to develop their States and make them strong. But the question was settled - as Mr. Patel himself said that there were stalwarts of freedom movement; they were colleagues in the freedom struggle and they were able to settle this issue in the party forum—in the party forum itself; it was never ventilated in the public. But after different parties came to power in different States, this question had assumed an urgency, as I said, and it is being discussed. But I do believe that it is through consultations, discussions and dialogues that most of the misunderstandings could be resolved. Take for instance the question of the terms of reference of the Finance Commission. You might say that the non-Congress States had raised this issue against the terms of reference. After a discussion, they have agreed to the terms of reference and it appears that we have got to function in that spirit.

In the Sarkaria Commission, the question of the role of the Governors had been raised, which has been again another point of irritant today. Whatever Panditji said are laid down as the criteria for the appointment

of a person as a Governor. It has been accepted by the Sarkaria Commission *in toto*. He says that it should be incorporated in the Constitution itself as the guidelines for the appointment of the Governors. I know that, even during the Congress Party regime, Pandit Jawaharlal Nehru regime, in those days, say, in 1950 or even earlier, active politicians were appointed Governors. In Bihar, for instance, Shri Jayaram Das Daulat Ram was appointed as a Governor and when some differences crept up between the then Chief Minister and Shri Jayaram Das Daulat Ram; and Panditji saw fit and proper to remove Shri Jayaram Das Daulat Ram.

SHRI H.M.PATEL: Really, what is being missed is the spirit in which one goes to the other. You just now said that the States go to the Centre for help. It is not for help. In fact, both should realise, the Centre should realise that the preservation of law and order in a State is vitally important not only just for the State but also for the Centre. This is an important point that has to be borne in mind. What is important for a State, take for instance the famine, this year's famine, which was a disastrous famine. It is not just a problem of one or more States. It is a problem of the entire country and the Centre is vitally interested in seeing to it that the State is assisted. The word is not 'help'. The State may say "I come to you for help". But the Centre should not say, "I am coming to your help." But, it should say, "I am doing my duty in coming to your assistance." Let us ponder over this. Jawaharlal Nehru never came down saying, "I am distributing largesse." He came, he distributed, he did it, he assisted, because he considered that those were his little brethren. The States were there, it was his duty to help them, it was his duty to go along with them. That is the spirit in which we have to function.

SHRI SATYENDRA NARAYAN SINHA: When I said, Mr. Patel, that the

States and the Centre are not mutually exclusive entities but they have to function in a cooperative spirit. They are parts of the same integral whole. The States and the Centre form the entity of the country. If you want to preserve the integrity and unity of the country the States and the Centre have to pull together, to function together in a cooperative manner, in an integrated manner and that is how they can take the country forward and meet any challenge to our unity and integrity.

Therefore, I did not mean to say that, — I am sorry if I were misunderstood — I said that even in the areas where it is the close preserve of the States, the Centre's help or assistance has been found necessary. And, therefore, you cannot say that a State should take an attitude that "we do not need central intervention so much." All that I wanted to say is that there are areas which are the preserve of the States and still the Centre goes to their assistance, only because the Centre is as much interested as the States together to preserve the unity of the country, to preserve the welfare of the people and therefore we have to function as unified whole, not as mutually exclusive. This is the point I am emphasising.

And then, with regard to the Finance Commission, as I said that, if there is a dialogue, a discussion, whatever differences have been there, they have been resolved, as the recent example shows. By points for consideration is that, that even the Sarkaria Commission has accepted this fact that Centre has to be a pre-eminent body. Its position is pre-eminent and the general trend also, world over is towards making the Centre strong. Why, for instance, in the United States, while the States are right in demanding greater autonomy there, they also cannot ignore this general trend which is taking place because in the United States of America, which is really a federal State, now the compulsions of modern economy

[Sh. Satyendra Narayan Sinha]  
have forced the States to concede many of their residuary powers to the federal Government, including law and order.

Similarly, I said that the Centre-State relations should be based on mutual understanding, mutual trust, and there should be no politicking about it even if different parties are in power in different States. But when it comes to the development of the country or the different States, there should be no politics and we should function as one whole, one unit.

We should try to develop the country from the point of view of the national goal that has been set. Recently our Prime Minister has said that we have to lay emphasis on the removal of unemployment. I do not think there can be any politics here. All of us can sit together and do it. Many of the anti poverty measures, on which great emphasis has been laid, are to be implemented and executed by the States. They are the agents for implementing the measures. Therefore, there should be no conflict between the Centre and the States on any issue and the spirit of cooperation, the spirit of consensus, and the spirit of dialogue should underline our activities. This is the point that I am trying to emphasise.

I entirely agree with MR.H.M.Patel that the States and the Centre must have complete understanding between them. If we want to make our country strong, if we want to take the country rapidly on the path of progress and development, and if we want to achieve our goal rapidly, then we want got to cooperate. In the social field, accounts field land everywhere, there should be complete understanding and cooperation.

I think he has served the purpose by bringing this resolution before us and providing an opportunity to all of us to express our views on the subject. I think, some day, the

report of the Sarkaria Commission will come before the House for a fuller discussion. The Sarkaria Commission has made a lot of recommendations and it has said that there is no need for amending the Constitution. The Commission has said that the scheme as provided for in the Constitution is all right. All that is necessary is the spirit with which the whole scheme has to be worked. This is the real recommendation of the Sarkaria Commission. When we discuss this subject, I think, a lot of misunderstandings will disappear and an atmosphere will be created, where the States and the Centre continue to work together and do not harbour any kind of politics towards each other and do not look upon the States with any hostile feeling. The States should consider the Centre almost like a guardian and they should cooperate in this manner. So long as there is peace, States do enjoy autonomy and they function in their own way for the development of the States. If there is an emergency, then the States are subordinated. The country functions as a union of the States. Then, the Centre enjoys pre-eminent powers also. In this way, the whole scheme shows that the Centre has to function as a guardian, as a supervisory authority to ensure the proper implementation of the development schemes and the people must be involved right from the Panchayat level in the preparation of plans. Our Prime Minister has laid down this emphasis now. I hope it will be implemented.

With these words, I once again than Shri. H.M.Patel for bringing this resolution.

SHRI V.SOBHANADREESWARA RAO (Vijayawada): First of all, I congratulate Shri H.M. Patel for bringing forward this Resolution for discussion before the House. At a time when the relations between the Central Government and several State Governments are not as cordial as it should be, this Resolution has come before the House for discussion. In fact, the Govern-

ment should have come forward for proposing such a discussion because the Sarkaria Commission's report has already been submitted to Parliament. This is such an important item that it should have been given priority.

During the last two decades, due to high-handed behaviour and attitude of the Union Government, the relations between the Centre and State Governments are being strained.

At the present juncture, this subject, namely, the Centre-State relations is the most important one as it is threatening the basic unity of the country and continued pace of development. This is one aspect which influences other aspects also such as communalism, political violence, regionalism, etc.

There has been a great deal of debate and writings on the nature of Indian federalism characterising it as, "Union of States", "Federation with strong Centre", etc.

After the formation of interim Government whom the initial discussions took place for framing the constitution, the idea was for a classical federation with both the Centre and States with their separate, independent jurisdictions. However, after partition the members of the Constituent Assembly re-examined the federal arrangement, and come to a different idea because of the partition and assault of Pakistan on Kashmir. They thought that the Centre should be given more powers to enable it to deal effectively with the situation as it warrants. When the unity of the country is at stake in some parts and also when the democratic and constitutional functioning in a State is broken down, the Union Government should have adequate powers to interfere in the state matters. With this object, the Constitution has given some more powers to the Union Government like the supremacy of

the Centre's Legislative authority in common fields, appointment of State Governors by the President of the country, power of the Governor to reserve for the consideration of the President any Bill passed by the State Legislature which in his opinion comes in conflict with the legislation or policies of the Centre, Centre's overall supervisory role for maintenance of law and order in States, the need for the States to get their borrowing programme approved by the Centre, introduction of All India Services as a common body of administrators recruited, trained and transferred by the Central Government to man senior administrative positions in the Centre and in States, Centre's prerogative to appoint the members of Supreme and High Courts and authority granted to the President, under Article 356 to dissolve State Assemblies and executive and take over administration of any State, in case of emergency or failure of functioning of normal democratic Government. These were further accentuated by a number of extra-constitutional factors which have come to stay since Independence. These are the increasing monopoly of financial resources, centralising tendencies in the patently State areas of health, education, social welfare, housing, etc. through the process of economic and social planning and centralisation of decision making on political matters in the capital and administrative centralisations through All India Services. Therefore, because these constitutional and extra-constitutional provisions, now the relations are strained attitudes displayed by the Union government, it has got its own ramifications.

Sir, you are aware that in Tamil Nadu, a regional party, Dravida Munetra Kazhagan has come into power on a slogan of more autonomy to the State. You are also aware that even in Andhra Pradesh, the Telugu Desam party came into power on the slogan of self-respect to the people of Andhra Pradesh. In Assam also, the Asom Gana Parishad has won the elections after a long

[Sh. V. Sobhanadreeswara Rao] movement when the Centres failed to protect the interests of land take into notice the aspirations of the people of Assam. This power given to the Union Government under article 356 should have been exercised only in exceptional circumstances. But unfortunately, the Union government is exercising this power many a time only to get a political advantage. Between 1966 and 1984, President's rule has been imposed more than fifty times. The imposition of President's rule and the dissolution of Assembly in the Punjab is a glaring example. Till the other day, though the President's rule was imposed, the Assembly was kept in animated suspension. Then what are the factors, what are the reasons that were kept in view to dissolve that Assembly? Is it not just because the Congress (I) was likely to get one seats whereas the Opposition would have been able to get two seats if elections to Rajya Sabha were conducted in the Punjab Assembly? Just because one more seat was going to the Opposition, they dissolved the Punjab Assembly. Otherwise let the Government explain what were the special reasons that had necessitated the dissolution of the Punjab Assembly.

Take the case of the dissolution of Tamil Nadu Assembly. Only a day earlier you had honoured the late Shri M.G.Ramachandran by conferring upon him *Bharat Ratna*, and the next day you had dissolved the Tamil Nadu Assembly, even without giving an opportunity to Mrs. Janaki Ramachandran to show her strength on the floor of the Assembly. That is why the Sarkaria Commission has made certain recommendations regarding the imposition of President's rule under article 356. It is very correct that the Sarkaria Commission has recommended that the Assembly should not be dissolved unless the proclamation is placed and approved in the Parliament.

The Governor should act as a liaison

between the Union and the State. Unfortunately, some Governors are not doing that. Mr. Tapase, who was in Haryana, had denied an opportunity to Mr. Devi Lal, who was enjoying the majority support of the Legislators, to form a government. He asked him: "What is your strength? Bring them on such and such date." And while Mr. Devi Lal was on the way, he asked Mr. Bhajan Lal to form his government and thus gave an opportunity to encourage defections to strengthen Mr. Bhajan Lal. But the people of Haryana have taught a befitting lesson to the Congress (I) partly in the recent polls where they have given only five Assembly seats to the Congress (I) so that they will not be able to play the dirty trick again. You know what Mr. Ram Lal has done in our Andhra Pradesh...(Interruptions)

SHRI BIPIN PAL DAS (Tezpur): Sir, I am on a point of order.

MR. CHAIRMAN: Yes.

SHRI BIPIN PAL DAS: Are we discussing the Centre-State relations or we are discussing the relations between Congress (I) and the other parties?

SHRI V.SOBHANADREESWARA RAO: It is the role of the Governors which I am discussing, not the Congress-I party or any other parties. You know what he had done in the case of Shri N.T.Rama Rao. He negated the will of the people of Andhra Pradesh who had elected Shri N.T.Rama Rao as their Chief Minister and they gave massive support. Unfortunately, the Central Government did not like Shri N.T.Rama Rao to continue there. He had unseated him and installed Mr. Baskar Rao. Mr. Chairman, Sir, you were the Speaker of the State Assembly at that time. You know the agony the people of Andhra Pradesh had experienced. They had to make many sacrifices for a long time and they had to continue their movement for

restoration of democracy there in which they ultimately succeeded.

Sir, in regard to the appointment of Governors, the Sarkaria Commission has clearly opined that some criteria should be followed in the matter of selection of Governors to the States. Sir, I fully agree with the recommendations made by the Sarkaria Commission and it has clearly stated that the Governor to be appointed should be a detached figure and he should be a person which has not taken too great a part in the politics generally and particularly in recent past. Sir, it is desirable that a politician from the ruling party at the Union is not appointed as Governor of a State, which is being run by some other party or combination of other parties. That is what Sarkaria Commission has recommended. But, unfortunately, Sir, even after the report is submitted, the Union Government has ignored these recommendations of the Commission by appointing Shrimati Ram Dulari Sinha as Governor of Kerala State. Was the Chief Minister of Kerala consulted? In fact, the Commission has suggested the procedure of consultation should be prescribed in the Constitution itself by suitably amending the Articles 155. In spite of this clear recommendation...

THE MINISTER OF STATE IN THE MINISTRY OF HOME AFFAIRS (SHRI CHINTAMANI PANIGRAHI): In regard to the Sarkaria Commission, I may point out that it is the summarisation of the recommendation that has been made. It has not been adopted. Neither it has been discussed with the State Governments and they are asked to give their comments on the recommendations. We have not accepted the recommendations of the Sarkaria Commission. Then what is the point in saying that the Commission gave the recommendations and all that?

SHRI V. SOBHANADREESWARA RAO: My point is that the Government of

India has not, in spite of the fact, yet accepted officially the recommendations of the Sarkaria Commission. These recommendations should be kept in view. (*Interruptions*)

SHRI CHINTAMANI PANIGRAHI: On the recommendations of the Sarkaria Commission, the State Governments have been asked to give their comments. You kindly recommend what you want to be accepted. We want to have consensus and the State Governments were asked to give their comments before 30th April 1988. But they say that they should be given more time.

SHRI V. SOBHANADREESWARA RAO: Sir, if good relations have existed between the Union and the States, it would have been very nice and proper. Have the Union Government followed this suggestion?

Sir, reserving of the Bill by Governors and the President's consideration is another important aspect which is causing hitch. You know Sir, the present Governor of Andhra Pradesh is reserving several bills passed by the Assembly. For years, she has not been giving her assent. Similarly some of the bills that are being sent for the approval of the President also have taken abnormal time. I would like to bring to your kind notice that the Central Government has taken four years to approval the West Bengal Legislation for distribution of loans of Landless workers. The delay in giving assent to a Karnataka legislation aimed at introducing democratic decentralisation at the district and sub-district levels was another proof.

Sir, the recommendations of the Sarkaria Commission on this subject matter are also very very appropriate and the Government should accept them. Sir, the Sarkaria Commission's recommendations regarding

[Sh. V. Sobhanadreeswara Rao] the setting up of Inter-Government Council under Article 263 is a very welcome step and all important policy decisions could be evolved in this highest body.

Similarly, our learned colleague, Shri H.M.Patel, has said, this naming N.D.C. as National Economic Development Council is also very good. But in this connection I would like to make one point. The Commission has clearly stated that all the important issues should be discussed threadbare in these meetings. What has happened very recently? The Prime Minister was dictating 10 minutes' time to the Chief Ministers. Is this a proper approach, is this a proper way when very important decisions are to be taken? Once in a year the NDC meets and discusses very important matters. Why should the Prime Minister show importance to hear the views of the Chief Ministers in that very highest forum? He was dictating only 10 minutes' time. I feel it is not a proper step. I hope in future at least enough time will be given to all the Chief Ministers who want to express their problems in such a very important body like the NDC. The mere change of the name will not be sufficient, our attitude should undergo a radical change.

Sir, about the financial allocations between the Centre and the States, previously when the borrowings were there, nearly 33 per cent was going to the State. Now, only 10 per cent is going to the States. From all the sources the Central Government is getting the taxes and they are flexible sources of revenue whereas in respect of the States they are inflexible and many a time the Union Government is getting increased resources. Now, apart from the fact that they are having the opportunity for resorting to deficit financing or borrowing from the Reserve Bank of India...

MR. CHAIRMAN: Just a minute. The time allotted for this is over and there are

many speakers to speak. I put it to the House, by what time shall we extend the time of the House for this discussion.

SHRI VAKKOM PURUSHOTHAMAN (Alleppey) : By two hours.

SHRI V. SOBHANADREESWARA RAO: This is very important subject. So, time should be extended for this.

SHRI RAM PYARE PANIKA (Roberts Ganj): Sir, this is a very important subject. At least 4 hours are needed when everybody wants to speak.

SHRI VAKKOM PURUSHOTHAMAN: Now we will extend for two hours. If necessary, we will extend it again.

SHRI BALWANT SINGH RAMOOWALIA (Sangrur): Sir, at least the time should be extended by four hours.

SHRI VAKKOM PURUSHOTHAMAN: If necessary, we will do it again.

MR. CHAIRMAN: So, for the present we will extend it by two hours. Later on we will see. Now the time is extended by two hours.

SHRI V. SOBHANADREESWARA RAO: Sir, the Union Government is able to get huge resources through administered prices also. But it is not sharing these additional resources with the States.

The dependence of the States on the Centre for financing new developmental schemes in health, education, social welfare, housing etc. is further increased by the operation of the grants system by the Planning Commission. Sir, in the Planning Commission most of the Members are nominated by the Union Government. There should be representation to the State Government also. Some eminent economists at the State cadres also should find place on



the Planning Commission.

Sir, the Sarkaria Commission recommended for amending of the Constitution to enable Parliament to provide for sharing of corporate tax and to levy the tax on advertisements through broadcast to be distributed to States under Article 269.

17.00 hrs.

Sir, the States are finding it very difficult to meet the aspirations of the millions of people. Their finances being very limited, they are finding it very difficult to cope with the demand. So, ways and means should be found to see that more funds are transferred to the States.

I would like to make one point clear. The Central road fund for gasoline was 16 paise when the price of gasoline was Rs. one per gallon. With that fund, the national Highways are maintained. Now even one litre of gasoline costs nearly Rs. 9 in one State, to nearly Rs. 7.50 in Delhi. But the same proportion is there. It is 16 paise per gallon. Because of this, the State Governments are not able to undertake repairs of the national highways as the Central road funds are not sufficient. Why don't you enhance it in proportion to the escalation in the cost of the gasoline. Then, the Union Government will be able to maintain the national highways in a better form and they will also be able to take some more roads from the R & B Department to the national highway network.

The ceiling on taxes on profession and trade should also be raised. Regarding the income-tax and excise duty also, some readjustments should be made so that more funds are earmarked and transferred to the States.

Forest is one important item. Earlier the entire power was with the States. After the Forest Conservation Act came into force in

1980, the entire power has come to the Centre regarding the power to dereserve the reserved forests.

From one end, the pendulum has swung to the other end. For very important development works like construction of irrigation projects, or taking up thermal power station, the clearance has to be given by centre. But they are taking very very long time and as a result of which, development process is going on at a very slow pace. So, I request the Union Government to reconsider and devolve some powers to the States—at least 50 hectares—for very specific development projects only with the condition that an equal area will be re-forested.

Regarding the mass-media, how the entire power is with the Central Government. The second channel should be given to the State to bring to the notice of the people several development programmes, welfare programmes that are being taken up by the State Government. The second channel should be given to the State. The Sarkaria Commission has taken a different view. But in the light of latest developments, it is essential that second channel should be given to the State. Agriculture is a very important matter where there is an urgent need to increase agricultural production. How much time is allotted to agriculture on Doordarshan. Unfortunately, only 98 hours are allotted to agriculture whereas for art and culture, 1261 hours and for miscellaneous items, 949 hours are allotted. Whereas for agriculture which produces nearly 40% of the gross national product, the time allotted is only 98 hours. If the second channel is given to the State Government, the State in their turn, can utilise the second channel, more effectively for the development of agriculture.

Finally, I appeal to the Government to accept some of the recommendations of the



[Sh. V. Sobhanadreeswara Rao]

Sarkaria Commission as it has already sought the opinion of the State Government, in respect of appointment of Governor, role of Governor, and President's rule under Article 356 and reservation of the Bills on such of these items, you can straightway accept the recommendations. In respect of the other recommendations regarding financial matters or some other administrative matters, definitely you can seek further comments of the State Governments and then decision can be taken. My own submission is the situation when the Constitution was framed is different and today it is quite different. Today no political party in India, no State in India wants to secede from the Union. We are all Indians first. We are all for a strong, united India. We are for unity and integrity of India. At the same time, you must give more powers to the State. You must treat them as equals. Except a handful of people in Punjab, nobody wants to separate from India and there are also misguided people.

SHRI BALWANT SINGH RAMOOW-  
ALIA: A handful of people inspired by forces from outside.

SHRI V.SOBHANADREESWARA  
RAO: Unfortunately, some political developments resulted in such a situation there. My submission is, today the Union Government should treat all State Governments as their brothers and equals and take them into confidence and make them also partners in the rapid progress of this country to achieve prosperity and attain respectable places among other countries of the world.

SHRI CHINTAMANI PANIGRAHI: We are all brothers and sisters. You are a brother.

SHRI V.SOBHANADREESWARA  
RAO: The approach of the Union Government towards the States should also be the same. Let us all work for a united India, a strong India, with all prosperity.

SHRI CHINTAMANI JENA (Balasore): I am grateful to you for giving me the opportunity to speak on this very important and very essential resolution moved by Hon. Member Shri H.M.Patel. He has given an opportunity to all of us to express our views but I think it is not intended to discuss the report of the Sarkaria Commission through this resolution.

I would like to speak in my mother tongue Oriya for which I have already intimated for interpretation.

[Translation]

\*Mr. Chairman, Sir, I am really grateful to you for allowing me to express my views on this very important Resolution. I have heard with rapt attention the speeches made by the mover of the Resolution Shri H.M.Patel and other Honourable Members. In his speech Shri Patel has clearly stated his main intention behind bringing forward this Resolution. According to Shri Patel, the conscious of the House be taken through a fullfledged discussion on this Resolution. As you know Sir, our's is a federal state. Perhaps Shri Patel kept that thing in view and therefore he has laid emphasis in his speech on the need to maintain the unity and integrity of the country. He has given some suggestions as to how good and cordial relation could be established between the States and the Centre. But I am really very much shocked to hear the Honourable Member who preceded me. Shri Rao gave political

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\* Translation of the speech originally delivered in Oriya.

colour to the whole issue and advanced his argument in favour of separate identity and autonomy for the States. He said that his party, Telugu Desham, come to power in his State on the basis of the promise made by them to give separate identity and autonomy to their State. He further said that the Anna DMK Party won the election in Tamil Nadu and Assam Gana Parishad in Assam on this issue. It is unfortunate that Shri Rao is speaking in favour of Regionalism when the need of the hour is to preserve the unity and integrity of this great country at any cost. Is it possible to maintain the unity of the country with this attitude? I hope Shri Rao and his friends will reply to my questions. If some party leaders and some people of some States adopt this parochial attitude and act in that manner then the pace of progress in their States will certainly be hampered and the national integration cannot be established.

Sir, some Honourable Members have said that the Centre-state relation is not that cordial as it should be. It is worsening day by day. The alleged that some States have not been given justice in the matter of allocation of funds. The fund is not being allocated to those States according to their requirements. On the other hand the Centre is blaming the State Governments as they are not paying proper attention on the utilisation of funds allocated by the Centre for implementing different centrally sponsored schemes. As you know, the Centre allocate funds to the States on the recommendation of the Planning Commission as well as the Finance Commission. The State Government may require more funds for different projects. If the Central Government does not have resources how can it meet the requirement of the States. The duties of the State Govts. are to mobilise resources. If the State Govts. do not mobilise fund how can the Central Govt. help them. Sir, the Central Govt. is just like a Postal Savings Bank. They earn revenue and foreign exchanges

through imposition of taxes and by exporting different raw-material or commodities produced in the States. The revenues and foreign exchanges are deposited in the national exchequer which is just like Postal Savings Banks as I have said just now. Then like withdrawing money from the Postal Savings Banks, The Centre allocates funds to different States. Therefore, if the State Govt. extend their co-operation in the matter of earning additional Central revenues and also in mobilising resources then the Centre will be strengthened. If the economy of the Centre is sound it would increased fund allocation to the State Governments. So, the Centre as well as the States have equal role to play in the matter of nation building.

The farmer of our Constitution has made the provision in it in such a manner that the Centre will always remain strong. The State cannot become strong if the Centre is weak. The guidelines had been laid down in the Gadgil formula as to how and in what way the funds should be allocated to different States. Now, our Prime Minister is laying stress on the implementation of Gadgil formula. The Gadgil formula underlines the need and ways of removing regional imbalances. The State Govt. are imposing sale tax in their States. We all agree that the Sale Tax imposed by the State Govt. should be abolished. But some State Govt.'s and their Chief Ministers are opposing the abolition of sale tax imposed by them in the States. If we do not agree on this issue how can the plight of the poor people be removed. On the other hand it is not proper to blame the Centre on every issue including abolition of Sales tax. Because we all know the resources with the Centre is only limited. It cannot bear the entire cost of all the projects for which State Govt. make demand. So, we must take into account the resource position of the Centre and then we should ask for more funds.

Sir, Shri Patel has referred to different projects which are under execution in differ-

[Sh. Chintamani Jena] ent States. He has said that the project under implementation in different States should be given adequate funds and should be completed within the timebound programme. I agree with Shri Patel with his views. If the ongoing projects are delayed on account of inadequate amount of allocation, the people of the States cannot get the benefit from those projects. The cost of the projects will escalate further and therefore the Centre will face problem in providing funds in future. Therefore, the ongoing projects should be completed before the expiry of the target dates and the Central Govt. should allocate sufficient funds for those projects. Otherwise, the regional imbalance cannot be removed and the parochial forces will raise their ugly heads.

Then, Sir, a word about the Planning Commission. We have got our Planning Commission at the Centre. In the State level we have got the State Planning Boards. We have also got our District Planning Boards at the district level. I am sorry to say that the District Planning Board are not functioning well. They must make the proper assessment of the need of people at the district level, and see that the schemes under execution in their respective districts are effectively implemented, the funds allocated under different schemes are properly utilised and the real benefit reach the people for whom the schemes are sponsored. Then there is no proper co-ordination between the States Planning Boards and the District Planning Boards. In that case we cannot blame the Planning Commission for the lapses if any. We must revamp the District Planning Boards. I am glad that our Honourable Prime Minister has now given emphasis to revitalise the District and State level Planning Boards. He has given advice to the Planning Commission to re-organise the District Planning Boards. I also appreciate the feelings expressed by Shri Patel regarding the function of the Planning Commission.

I am sure, he will appreciate the timely steps taken by the Prime Minister in this regard. Every section of the House must welcome the steps taken by the Prime Minister in this regard. We should rise above the Party line and see that the District Planning Boards function effectively during the remaining period of the Seventh Plan. If the Districts Planning Boards do not become very active now, they must function effectively at least from the beginning of the Eighth Five Year Plan period. All sections of the House must extend their co-operation to re-organise and revitalise the District level Planning level. Planning Board.

Then, I would like to speak a few words on National Development Council. The meeting of the National Development Council held at New Delhi. The Prime Minister presides over the meeting. The State Chief Ministers take part in this discussion. It is the duty of the Chief-Ministers to apprise the Prime Minister regarding the problem of their States. Instead of highlighting the problems of the State some non-Congress Chief Ministers are making political capital over every issue. They release statement in the Press before the beginning of the NDC Meeting. They should not misuse the National Development Council, one of the highest forum which decides the development and Progress of the country. It should be kept free from politics.

The mover of the Resolution has given emphasis on National Integration and better Centre-State relation. When we are giving stress on this point we have to find out the various factors responsible for the deterioration of the relations between the Centre and the States. Sarkaria Commission has submitted its report on Centre-State relation, but it has not been adopted so far. Some Honourable Members referred to Sarkaria Commission Report and said that person belonging to a political party should not be appointed as Governor. The mover of the

Resolution has also quoted this and said that the Governor should not be appointed from among the Political parties particularly in the States where the same party he belongs to is the ruling party. In this context, I would like to say that we should not discuss Sarkaria Commission at this stage. Because the report has been sent to different State Governments for their opinion. Some Chief-Ministers have requested the Centre to given them sometime to examine the report. Then they will give their opinion on the report. After that it would be reconsidered by the Centre if necessary and then it would be adopted. Therefore, it is not the proper time to discuss Sarkaria Commission report through this Resolution. Some Honourable Member Said about the appointment of Mrs Ram Dulari Sinha as Governor of Kerala

He was asking as to why Smt. Ram Dulhari Sinha was appointed as the Governor of that State? Is it proper on the part of that Honourable Member to put this question when is the prerogation of the Central Government, who to appoint Governor and to which State

Sir, I do not agree with Shri Patel on the issue that is, National Education Policy. While referring to National Education Policy Shri Patel wanted to know the allocation made to different State for implementing the programmes pertaining to National Education Policy. He said that sufficient funds period has not been allocated to the States for implementing the New Education Policy. While making this comment we have to see the Resources position of the Centre. We are implementing New Education Policy since last one and half years. Sufficient time has not passed since the beginning of the implementation of the New Education Policy. This is not the right time to give comment on the success or failure of implementation of the New Education Policy. Of course, I agree with Shri Patel that the opening of some Navodaya Schools here and there

cannot change the education scenario. But this is just the beginning. The State Govt. would not expect that the Centre will open Navodaya Vidya lay at every places in one year which will cater to the needs of the people. The number of such schools will gradually increase. The State Govt. can also contribute some funds for opening Navodaya Schools. As you know, our education system was defective and has been in practice for the last many centuries. It was not in a position to help the students getting a job soon after. They came out from the educational institutions. Our Prime Minister Shri Rajiv Gandhi realised this and he felt the urgent need of changing the existing Education system. Then the New Education Policy was introduced. Vocational Education has been given much importance in the New Education Policy. Therefore we have to see that the New Education Policy is implemented efficiently. The State Govt. should take entire responsibility for making the New Education Policy a great success. We have to educate everybody. At the same time every body should be given job or financial help for self employment. When Shri Rajiv Gandhi became Prime Minister he had said on his first speech which he delivered to the nation that the existing Educational system is only creating unemployment in the country and therefore needs change. He kept his assurance and the New Education Policy is now under implementation.

I agree with Shri Patel that there are many villages and towns in the country where Primary School buildings have not been constructed. If at all there are buildings, all those are not Pucca. The Central govt. is allocating funds under NREP and IRDP etc. for the construction of Primary School buildings, but that is just like a drop of water in the ocean. So sufficient amount of funds should be allocated under NREP, IRDP etc. for constructing Primary School buildings. The State Govt. even should not wait for the Central allocation. They should take up the

construction work phase by phase whenever feasible.

Sir, I shall conclude my speech within two minutes after dealing with two points more.

One thing I would like to say about the Projects which should be given priority. Instead of taking up so many projects and allocating a meagre amount of funds for those projects, some projects which are of national and State importance and which can be provided benefit to a large number of people, should be given priority. This thing should be done keeping in view the resources available with the Centre.

The State Govt. should identify such projects and submit before the Planning Commission for approval. As the number of Projects are less, the Planning Commission should approve them and the Central Govt. should provide funds for those projects so that they could be completed within a specific period. If every State Govt. will select so many projects in the department of Irrigation, Education, Communication or Transport etc. the Central Govt. cannot provide fund for all those projects. Therefore no project can be completed within a specific limited period and there would be cost escalation. We have to avoid all these factors and projects should be given priority keeping the developmental aspects of the areas and the resources position of the Centres in view.

Then Sir, Shri Patel and Shri Rao said about Punjab problem. Everyone of us is very much concern for Punjab. It is a fact that law and order situation in that State is deteriorating day by day. For that we should not blame a particular political Party or the Central Govt. The problem of Punjab is not the problem of that State alone. It is the national problem. So we must find out the root cause of the present situation in Punjab. All the political parties as well as the State

Governments should think it their joint responsibilities for the solution of Punjab problem. The State Governments and the Central Govt. should make Joint efforts to bring back normalcy in that State.

Finally, a word for Shri Patel. I am grateful to him for bringing forward such an important Resolution. I hope that the Honourable Members who are participating in the debate will certainly speak for strong Centre. If the Centre became weak the States will automatically become weak. The unity and the integrity of the country cannot be maintained. The demand for a separate identity, separate statehood or autonomy by a few people, group of political parties are not the good sign for the future of the country. The emergence of the Regional Parties with the demand of more powers and the autonomy of the States will divide the country. So in order to safeguard the interest of their people in general and India in particular all these aspects should be looked into. I am sure, the general conscious of the House would certainly go in favour of the strong Centre. I thank Shri Patel once again for moving this very essential Resolution.

Thank you very much for giving me the opportunity to take part in the discussion and with these words I conclude my speech.

[English]

SHRI DINESH GOSWAMI (Guwahati):  
Mr. Chairman Sir, I must thank Mr. H.M. Patel for bringing this Resolution in this House.

During the last few years a debate is going on in this country for re-evaluation of the Centre-State relationship. No doubt, our Constitution has stood the test of time for the last 40 years. But after our experiment with the Constitution, with our experiences many of us have felt that there should be a restructuring of the relationship between the States and the Centre.

It is also a fact which cannot be denied that whichever party has come to power, whether it is the Congress or even the Janata, in the Centre there has been aberrations of political life and the Centre have taken away some of the powers of the State.

Whenever we start discussing about the Centre-State relationship, I think we begin on two wrong premises. The first wrong premise is that, when we talk in terms of more powers to the States; it is as if at the expense of the Centre or as if it automatically follows that one who talks for greater power or autonomy to the States he wants lesser power or strength to the Centre. The second wrong premise which I found in this discussion is that the Centre-State relationship is taken as a subject matter of discussion between the party which is ruling at the Centre and those opposition parties which are ruling in the States. I don't feel that the Centre-State relationship is a subject between Congress and non-Congress States or the ruling party and opposition parties. It is a concept which is applicable to all, whether there is a Government of the Congress Party or of the non-Congress Party. So far as the question of relationship between Centre and State is concerned I am in favour of more power and autonomy being given to the States, but that does not mean that I advocate a weak Centre, because I feel if Indian Polity is to survive and to grow strong there must be a harmony in the relations between the Centre and the States. I had the occasion to begin a discussion on the Sarkaria Commission this morning in the Consultative Committee of the Ministry of Home Affairs, where I said that if Indian Union is a body the Centre is the heart and the States are the limbs. If the heart becomes weak, and the limbs are apparently strong, then the body cannot be strong but, equally, supposing the heart is very strong but the limbs get paralysed then the body equally cannot be healthy. Therefore, a healthy relationship

must be maintained so that all parts of this body remain strong. That means the Centre and the States remain equally strong. We can also compare it with a flower. Indian polity is like a flower and if the petals dry up, then the flower cannot give its fragrance. It is important that the petals of the flower must have the power of sustenance and strength so that it may bloom and if there are certain aberrations in our political life or certain deficiencies in our Constitution, those aberrations must be removed and the deficiencies must be tackled. In fact, when we were at the freedom movement, the idea was to have more powers for the States, and the reason was that if democracy is to succeed then the Government must be nearer to the people. After all the Government at the States is nearer to the people.

When we talk in terms of Centre-State relationship we make again another mistake. Centre-State relationship should not only mean relationship between the Central Government and the State Government, but I believe that it should mean relationship of the State Governments with the local bodies also. When we talk in terms of greater power to the States, I think, we should also keep ourselves open that there should be greater decentralisation down to the ground level, and the local bodies also must have more powers, because unless the institutions which are close to the people have more power, the peoples problems cannot be solved. For Delhi it is very difficult to know what are the problems of the remote areas of Assam and Orissa. There are national problems to which we are all concerned. India is a vast country. There are divergences of language, culture, way of life and differences of aspirations and approach, and it is not possible for all of us to know all these divergences. People at the ground level know, and unless they have the power to tackle these problems, however we may try to solve these problems, the problems will remain. If history is any guide, we have



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seen that India has fragmented only when there has been highly strong centralised administration. India has flourished when there were greater liberalism. India had flourished at the time of Akbar and Ashoka, because Akbar and Ashoka were the rulers who were liberal in their approaches. We had Aurangzeb, a king who had the qualities of simple life, he even sew his own clothes, but India's dis-integration started during the reign of Aurangzeb, because he went in for a highly centralised rule. In a country like India with so much of divergence a highly centralised rule cannot really lead to a strong India.

Regional Parties have come into power. Why regional parties have come to power. In a State like Andhra Pradesh which even in 1977 when Congress party virtually was thrown into the dust-bin of history but in Andhra Pradesh then out of 42 seats Congress got 41 seats. There was no Opposition party. Why is it in that part Telugu Desam has come into power. I come from a state where even in 1977 the Congress could get 10 out of 14 seats. Why is it the Congress has been thrown out of power in this high strong-hold of Congress? It is because the people there have felt that Delhi is so far off and that Delhi is not conscious of their problem and unless we can give a feeling of oneness to them, India's integrity will be at threat.

My friend who preceded me said that the regional parties, if they are supported, it will affect the integrity of this country. I strongly join issues with him. In fact, I feel if that is our attitude then why do you cooperate with AIDMK or National Conference. Why do you cooperate with AIADMK? Why do you cooperate with National Conference? If it serves your purpose, you cooperate with regional parties. The regional parties are not threat to the national integrity if it suits your purpose. But when it comes to political confrontation with the Centre, then it

s said to be a threat to the national interest. That is a dichotomy which I cannot accept. That I believe is the political dishonesty of this ruling party.

In fact, I believe, representing AGP today, that there are hardly any national parties in this country. There are national parties but they have all regional jurisdictions. My friend, Shri Krishna Iyer has a party, well it call itself national but it has a regional jurisdiction. In how many States they have got the power? The CPM, in how many States? In fact, in national parties are only national in name but regional in jurisdiction.

I believe that parties like AGP are national parties with regional jurisdiction. The AGP, the Telugu Desam and the Akali Dal, we will say that we are national parties with regional jurisdiction. There are some parties which call them national parties. But probably their attitude is more regional than me.

We have taken up all national and regional issues and we will continue to take it. We will undoubtedly focus the problem of Assam. After all, if we- 6 Members here - do not focus the problems of Assam, who else will? But on National issues, whether it is the case of Punjab or others, we will continue to express our constructive views, as we have always done.

Sir, the Sarkaria Commission has come for discussion and rightly so. In fact, the Commission after five years of hard labour, has given its report. I am thankful to the Central Government that the Central Government has asked now for the report from the different States. I only hope that this Commission's report will not be buried in the archives of the Government as has been done in many other cases. But the Commission's report will be a subject matter of discussion and debate. We have now got an opportunity of discussion.

Why is it that the States feel that more autonomy should be granted? One reason is that there have been a number of aberrations in the political relationship in this country. One Article through which these aberrations have taken place is Article 356 of the Constitution - the power to impose President's Rule. Uptill now, President's rule has been imposed 79 times in this country. In most of the cases, President's Rule has been imposed not on constitutional grounds but for political expediency.

The hon Prime Minister recently has said even here that if a State acts anti nationally, he will impose President's Rule. I will ask him - is it that the States can act only anti nationally? Is it not possible for the Central Government to act anti nationally? How is it that the Prime Minister has immuned himself from acting anti nationally? Has he put an injection upon himself that at no point of time he will act anti nationally and only the States can act anti nationally? If the elected representative of a State can act anti nationally the elected representative at the Centre can also act anti nationally. But if the elected representative of the Centre acts anti nationally then is there any power under the Constitution to impose President's Rule at the Centre?

The power is not available and rightly so. In fact when the debate was going on this question whether the President can dismiss the Prime Minister I gave notice of a motion through being in the Opposition that the Indian Constitution does not permit the President to dismiss an elected Prime Minister. The Prime Minister is accountable to the Parliament. So long he enjoys the majority of the Parliament, he has the right to continue in office. And the only other way out is for the people to throw him out in election.

I believe that if an elected leader of a State has the majority in the Assembly, he must be permitted to continue unless he

loses the majority in the House or unless the people, by their own force, drive him out of the office. Why I am saying so? I know I will be entering the political arena. I have seen in this House many times that when we raise issues, which we feel are important national issues, which are against this Government we are dubbed as anti-national as if one is national only when he supports the Prime Minister or the ruling party. After all Farooq Abdullah's Government in Kashmir was dethroned on the ground that Farooq Abdullah acted anti nationally when he came into confrontation with the Central Government. And Farooq Abdullah became the greatest Nationalist when he came into alliance with the Congress Party. Therefore am I to understand that whether a person is national or anti national is not dependent upon his activities but on his relationship with the centre? And that is the objection or that is the promise on which we assailed this Article 356 of the Constitution. I believe that there must be sufficient inbuilt safeguards of this Article 356 of the Constitution. In fact at some point of time there was a very strong demand to do away with Article 356 but I am not going to that extent but I will definitely submit and the Sarkaria Commission itself has given certain suggestions that the report of the Governor should be a part of the proclamation itself so that its justifiability can be inquired into in a Court of Law which will give some guarantee against the abuse of powers. This brings me to question of the Governor. So far as the Governor is concerned whether it is again the Congress in the Centre or the Opposition in the Centre we know that Governor's powers were misused. I cannot forget that even after 1977 when the Congress lost the Janata Party imposed President's rule in 9 States and it was highly and totally unconstitutional and equally it was followed by Mrs. Gandhi. I believe in a federal policy of this country, we must express that the people's verdict in the State and the people's verdict in the Centre will be different. The Janata Party lost in



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Karnataka in the Lok Sabha elections but came back with thumping majority in the Assembly elections because the issues upon which the people vote in the States and the issues for which the people vote for Parliament are different. One of the very self-significant factors of the powers of the Governor of his office is that in the entire Indian Constitution, this is one office which is accountable in any way. If the President of India does something unconstitutionally, then we bring in impeachment proceeding and if the Vice President does something unconstitutionally, then a Resolution can be brought. We can have no-confidence against the Speaker or the Deputy Speaker or against the Prime Minister or the Chief Ministers. We can impeach the Chief Justice of the Supreme Court and the judges of the Supreme Court and the Chief Justice of the High Court and its judges but if a Governor acts unconstitutionally, there is no provision under the Constitution by which we can either draw the attention of this country, in the Assembly or in the Parliament. In fact, the Constitutional provisions is that the conduct of a Governor cannot ever be discussed. Now, is he above the President of the country? If the President can be made accountable to the Parliament, I do not say that impeachment proceeding is brought, well, the impeachment proceeding gets carried out but the fear remains in the mind of that authority that he is subject to scrutiny by the Parliament, by a Legislature. That there are provisions in the Constitution which are open to Members, which may, at some point of time, call him to account but in the case of a Governor, there is nothing with the result - I am not saying about all Governors but there have been Governors who have acted with high sense of responsibility but there have been Governors, self-seekers, who have only felt to keep the Prime Minister happy to be in their job and they do everything as the obedient servant of the Centre. I believe that in the case of the

Governor also, some accountability should be introduced in the Constitution itself. There are other provisions, for example, one dominant provision which suddenly was given life is Article 249 of the Constitution. Article 249 says that if a resolution is passed in the Rajya Sabha, then subjects which are in the State List over which the Centre has no power and will come within the purview of the Centre and the Centre will have power virtually and all the subjects will come under the Concurrent List and the Rajya Sabha did pass a resolution under Article 249, in the name of Punjab, whereby a number of important subjects were taken into the purview of the Centre's power. We objected to it and I do continue to object. We must not forget that Rajya Sabha in our country is not something like the Senate of the United States. In the Senate of the United States, every State is represented equally. Two Members represent every State whether it is the populous New York or the small Illinois. They have got two Members from each State but in our Constitution, the Lok Sabha is represented according to the strength of the population, the Rajya Sabha gets equally represented according to the strength of the population and if you make a calculation of the Members, you will find that the Rajya Sabha can pass a resolution by a two-third majority with the support of eight States and the nominated Members. In a country of 23 States, eight States and the nominated Members, in spite of the Opposition from 15 States can completely take away all the powers of the States and take the subject from the Concurrent List by passing a resolution under Article 249. I believe that this Article itself is an article which is a constant threat to the autonomy of the federal polity of this country and these are the provisions which require a fresh look.

A mention has been made by my friend from Telugu Desam about the reservation of Bills. I can understand that if there is something unconstitutional in a Bill or if even a Bill

is in concurrent list, it may be referred to the President in the exceptional cases. But today what do we find? Bills are referred to the President even though a sovereign legislature has passed that and there is no objection as to why the Governor should not give assent to that Bill. Bills have remained on the table of President for years together. President means the Cabinet, because the Cabinet has to give assent. When the Constitution was framed, the idea was not that the Bills are to be sent to the President but a safeguard was kept to meet situation like that of a state passing a Bill, which may have some repugnance with the Central laws in the matters of the subject of concurrent list. But the power has been used almost without thinking by the Government. The Sarkaria Commission now has made some very important recommendations. Number 1 recommendation is that if a Bill is sent to the President, the grounds should be specifically laid down as to why the Bill has been sent. The other recommendation is that the President must dispose of, whether he gives assent or not, within four months. I believe these are the subjects which are irritants between the Centre-State relations and which affects the sovereignty of the State and these should be considered very seriously.

Now, as I said it is not a question only of the Congress and the Opposition. I feel that even in Congress ruled States also, the people of those States must feel that they and their representatives are electing their own leaders. What we have seen recently in some of the Congress States? Chief Ministers have been appointed in the darkness of the night, in meeting where even the quorum of the legislators was not there. The reports are there that even the legislator did not want somebody to become the Chief Minister but the Centre has, the Congress (I) commanders have put him as a Chief Minister. It is a matter entirely for the Congress Party but I believe this affects the Centre-

State relations. The people feel that they have the right to choose the leader and why this right has been taken away. When the Telugu Desam came to power, I believe this feeling was there in Andhra Pradesh the Chief Minister was reduced to a cipher. For everything he had to rush to Delhi. They felt that the State's respect was affected. Self-respect is one slogan by which the Telugu Desam party came into power. In our country, each State and its people have pride. Indian people are very proud people. We may be poor, but our pride is born out by generation and when that pride is hurt people react to it very strongly. For the maintenance the Centre-State relations we should see that the pride of the Indian people to govern themselves and its democratic structure is maintained.

Now, one very important arena on which a fresh look is necessary is the financial relations. Whenever we ask a question about this in the House, the answer invariably is that this is a State subject and the States are responsible for it. The State are virtually responsible for everything. States are responsible for the construction of roads, for the health problems, for the educational problems and for everything. It is concerned with the day-to-day existence and the well being of a man. But if the States are to discharge their duty, their responsibility, they must have the financial resources available to them to discharge those responsibilities. So far as the financial resources as concerned, the financial resources are grabbed by the Centre. It appears as if assets belong to the Centre and the liabilities belong to the States. This is the unfortunate position and I must say that the Centre has acted with financial dishonesty at times. Well, one may ask how. There are many areas where the amounts go to one divisible pool; income tax goes to the divisible pool and the States get the share. But we do not call it as an income tax, but call it is a surcharge and by calling it as a surcharge we

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deprive the States of the divisible pool.

There are many other areas, for example Item 52 of the List 1 says, that certain industries which are of the national interest may be a Central subject. Over the years, we have found that industry after industry has been taken over by the Central Government under Item 52 of List 1, without any rational basis, and without any justification as to how this industry can really be of a national interest. The Sarkaria Commission did make a reference to this. We have seen, for example that in the case of oil, every time as we have to beg for some royalties. The Central Government earns thousands of crores by profit and otherwise but only a pittance is given to the State.

Very correctly, a reference has been made to the Planning Commission and the Finance Commission. The Finance Commission is a constitutional body with a constitutional authority, though its authority has, to some extent, been diluted by the latest decision of the Government on its terms of reference. But the Finance Commission disposes of only about 20 per cent of the resources, whereas 80 per cent of the resources are disposed of by the Planning Commission. But the Planning Commission has no constitutional sanction, no legal sanction whatsoever. The body which disposes of 80 per cent, which gives 80 per cent of the resources to the States, has no constitutional and legal sanction!

Many a time, a reference has been made to the National Development Council. But the National Development Council has virtually become a mere ritualistic body which meets once in a year or once in two years and sometimes the deliberations of its meetings are so perfunctory that I do not think that it is serving any purpose at all.

Secondly, we do forget again that whatever amount the Planning Commission gives is not all a gift.

SHRI SOMNATH RATH (Aska): What is your view about the Planning Commission?

SHRI DINESH GOSWAMI: My view is that the Planning Commission should have a constitutional sanction and set up. Secondly, whatever amount the Planning Commission gives is not a gift. After all, it is a loan given to the States, at least a major portion of it is in the form of a loan. I also know what many of the States do normally. On the 31st of March, on the last day of the financial year, many States buy cars and carpets and other things and spend their money without realising that some day these moneys have to be repaid to the Centre. By spending the amount in this way, the States are entering into a debt trap. This is something which many States intend to forget. The States must keep in mind that the money which is meant for developmental purposes must be used in such a manner so that they can get something in return. If they spend this money unproductive purpose, not only is the money lost, but the States enter into a very-very dangerous debt trap. I do not want to discuss the recommendations of the Sarkaria Commission in detail because we shall have an opportunity to discuss it later. But I believe that in this entire financial relationship between Centre and States, there is a necessity to have a fresh look. Also, while we discuss this relationship, it should never be based on party lines. No doubt, when we speak here either on this side or on that side of the House, being political personalities, there will be an occasional projection of politics. But..

SHRI CHINTAMANI PANIGRAHI: Goswamiji, you are speaking very reasonably.

**SHRI DINESH GOSWAMI:** We should discuss the issues dispassionately.

I will conclude by saying a few words on the way we talk about integration. Integration must be a two-way process. If we may merely talk to the people different regions that they must integrate saying that they are a part of the united whole of India and that they must have a feeling of unity and integrity, without creating the feeling of oneness, then the unity and integrity of this country will always be at peril. Instead of delivering homilies to people, we must give them the feeling of oneness. If the people of Assam suffer from floods for years and years and nothing is done and if I go and tell them that they are a part of the United whole of India, then the question they automatically ask me is as to what this country is doing for them. They will say that they are asked to do everything for this country and they are making all sacrificed, but the country also must make some sacrifice for them. I am not speaking only of Assam. I think in every region, in every state of this country, people do feel at times that while they are asked to make sacrifices for the country, the country is not giving the due consideration to them. And it is more so in remote areas of the country.

Sir, let us look at one very important aspect. We have fragmented the States in this country into different States. The State of Assam has been fragmented into a number of States. Bengal has been fragmented. Now, Bengal is facing another kind of possible fragmentation because of the GNLf. Bihar is facing the threat of fragmentation from Jharkhand. Punjab has been fragmented to three areas. The fragmentation has been only on the border areas and on the remote areas. This fragmentation on the border areas and on the remote areas has

created a feeling that people at the Centre or the people at Delhi are not really aware of their problems and are not responsive. This is the greatest danger threatening the national integrity and unity.

I come from a State which did have an experience of six years of movement. Often I felt a feeling of alienation growing in the minds of the young people. I was shocked and troubled because once this feeling of alienation grows into this minds of the people of the border areas, the unity of the country will be threatened. Therefore, I believe, Mr. Chairman, that what is important today is that let us re-structure the Centre-State relations which would not in any way make the Centre weak, because a weak Centre cannot help the State. A weak Centre will be a drag on the development of the State. A weak Centre will affect the unity and the integrity of the country. But weak State also cannot lead to be making of a strong India. If the unity and integrity of the country is affected, the unity and integrity of the States are also affected. Therefore, we must re-structure the relationships between the Centre and the States so that the united whole can go forward, march forward to its destined goal, which the history had put to this country. I have no doubt that with the strength of these people, we will be able to march forward, provided we act unitedly and without any political motive.

[*Translation*]

**KUMARI MAMATA BANERJEE** (Jodhpur): Mr. Chairman, Sir, I am thankful to you for giving me an opportunity to speak. Just now Shri Dinesh Goswami has offered some very good suggestions about State-Centre relations. I value his feelings but I do not support this resolution. I would also like to

[Kumari Mamata Banerjee]  
say something on it.

This is a very important question for our country. Every one says about our country: "Sare Jahan Se Acha Hindustan Hamara". People of all religions live in our country. People speaking different language reside here. Hindu, Sikh, Christians, Muslims live all alike in our country. Our Constitution applies to all equally.

The question of Centre-State relations has become very controversial these days. Some plead for strong centre and other for strong States. I say that if the Centre is not strong, States will also not be strong. If States are not strong, then Centre will also not be strong. Thus, there is a federal set-up in our country. Responsibilities of the Centre and the States have been clearly defined in our constitution. Responsibilities of the Centre are different from those of the States. Centre-State relations should not only be political but economical also. Without economic development, no set-up will be able to sustain itself. If the States are not strong economically, how can the Centre be strong?

There is democratic set-up in our country. There is democratic set-up in the States also. Centre is also elected by the people. The party which is voted by the people in election comes into power. Same set-up exists in the States. Party which is elected by the people forms the Government. Therefore, best relations should be there between them.

The controversy arises only when a State complains that it is being discriminated against by the Central Government. Whether the Central Government has actu-

ally done so or not is a different matter. As has been discussed here, the Central Government will reply to the same.

The Sarkaria Commission report has been published. If discussions are held in this House on this report, many points about the Centre-State relations, namely the intentions of the Centre and of the States can be classified at that time. A short while ago, my friend from Telugu Desam, Shri Rao in his speech made certain suggestion about the Governor. Even after the Sarkaria Commission Report, Congress has appointed Shri-mati Ram Dulari Sinha as Governor of Kerala. What I want to say is that the Sarkaria Commission report has been received but suggestions on the report have yet to come from State Governments. I am a Member of the Consultative Committee. A meeting of this Committee was held in the morning. There too, we requested the hon. Minister that the report should be discussed by the Committee for at least two days. It is an important question and cannot be disposed of just in a day or in an hour.

We are right in having feelings for the States but these feelings should not take the form of regionalism or parochialism. Such sentiments should not receive encouragement. There should be no place for fissiparous tendencies. Rather sentiments to strengthen the country should be encouraged.

States have been requested to send their suggestions by the 30th April, but the State Governments have asked for more time for this purpose. The suggestions received from the States can be discussed in this House and we can evolve a uniform policy, uniform decision, national forum, national stand, national way so that there may not be any discrimination between

States and Centre. A discussion can take place here in such a spirit.

The House now stands adjourned.

18.02 hrs.

[*English*]

MR. CHAIRMAN : Miss Mamata Bannerjee, you can continue your speech next time.

*The Lok Sabha then adjourned till Eleven of the Clock on Monday, May 2, 1988/  
Vaisakha 12, 1910 (Saka)*